SUSTAINABILITY BRIDGE FUNDING: CASE STUDY FROM BOSNIA AND HERZEGOVINA, MONTENEGRO AND SERBIA

OCTOBER 2019
This document is a publication of the Eurasian Harm Reduction Association (EHRA). EHRA is a not-for-profit public membership-based organization which unites 247 organizational and individual members from the Central and Eastern Europe and Central Asia (CEECA) region with a mission to create within the CEECA region a favorable environment for sustainable harm reduction programs and decent lives of people who use drugs (PWUD).

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The publication was developed with financial support from Open Society Foundations (OSF).

This publication is available at http://eecaplatform.org/en/

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In the last decade, an increasing number of donors are withdrawing their support for healthcare. This has been especially true for middle-income countries, where the growth of domestic resources was one of the triggers for donor funding reduction. The Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund) has termed this process as “transition”, although the terms such as “graduation” (USAID terminology), “sustainability” and “self-reliance” are also used.

Development Assistance for Health (DAH) is decreasing, including for HIV/AIDS. In the Eastern Europe and Central Asia (EECA) region, DAH has decreased by 33% from 2010 to 2017, resulting in the withdrawal of over US$64 million from HIV/AIDS programs¹. This has created pressure on national budgets and has resulted in a significant gap in HIV/AIDS funding in low- and middle-income countries where overall growth of a country’s Gross National Income (GNI) has not been accompanied with an equivalent increase in public allocations for health and social services, especially for interventions that target key affected populations.

The Global Fund remains the largest multilateral donor in the field of HIV/AIDS, especially in Europe. From 2003 to-date, it has invested over US $2,573 million in the EECA region, out of which US$1,431 million has been for HIV/AIDS².

**Sustainability Bridge Funding (SBF)** is an idea that has been discussed among donors and civil society organizations (CSO’s) as a way of mitigating the negative effects of transition and in providing support for key essential services for communities and key populations. As a safety net mechanism, it should respond to gaps in funding and mitigate adverse effects of donor funding withdrawal. Nevertheless, very few donors have provided this type of targeted donor support for countries losing Global Fund support. Open Society Foundations (OSF) first piloted the idea of SBF in Southeastern Europe—a region where the withdrawal of Global Fund has led to the collapse of services in countries including Romania, Bosnia and Herzegovina and Serbia—by supporting civil society to navigate the transition process and engage in effective budget advocacy.

Building on this work, in 2018 OSF, through the Eurasian Harm Reduction Association (EHRA), initiated the project, Budget Advocacy and Monitoring in countries of South East Europe³. It provided funding to three transitioning countries in the Balkan region—Bosnia and Herzegovina (BiH), Montenegro, and Serbia—through the sub-regional network organization, Drug Policy Network South East Europe (DPNSEE), to support budget advocacy for harm reduction services.

This case study looks at the implementation of this project as one of the demonstrations of the SBF mechanism, with the objectives to:

- Document the SBF pilot in 3 Balkan countries and to analyze the strengths and weaknesses of this approach and to develop suggestions for improvement; and,
- Document the results, successes, and challenges of the budget advocacy projects supported through the SBF approach.

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The Balkan sub-region is part of the EECA region which is one of the two regions, along with Latin America and the Caribbean, where planning for the transition from Global Fund support is the most advanced. There are no low-income countries in the EECA region and all the countries still eligible for Global Fund support have started the transition planning process.

Countries in the Balkan region were one of the first to start the transition from external financial support. Global Fund defines eligibility based on two criteria – the level of national income and the burden of the epidemic. BiH, Serbia, and Montenegro are all upper-middle-income countries according to World Bank classification, with low HIV/AIDS prevalence, thereby making them ineligible for Global Fund support for some time, although the increase in the HIV epidemic among KAPs has led to the revision of this status for Serbia and Montenegro with both countries now having active HIV Global Fund grants once again.

Transition in the Balkans started before the Global Fund adopted its Sustainability, Transition, and Co-Financing Policy which now allows countries to plan for their disease response without donor support, serving as an example for others.

The Global Fund supported programs in these countries started in the early 2000’s and, since then, the Global Fund has provided nearly US$80 million for HIV programs (Table 1). However, following the sharp drop in this support starting in 2014 (see Figure 1), the respective national governments faced significant challenges in providing substitute funding. Even in 2016, after the substantial increase in domestic funding of the national HIV response, there remained a large reduction in funding compared to the previous period when countries had large programs supported by the Global Fund. This gap can be as much as 30% (see detailed information by country below, based on IHME data).

**Figure 1:** Global Fund support for HIV programs in 3 Balkan countries by year

![Global Fund support for HIV programs in 3 Balkan countries by year](Global Fund Data Explorer)
The immediate result of the end of Global Fund support observed in the Balkan countries was a reduction of funding for programs targeting key populations and delivered by community organizations. The gap in funding was detrimental to the delivery of these services as many providers closed down, drug and supply stock-outs were reported, and service coverage was reduced (Case Studies collected by DPNSEE in 2017).

In addition to the need to replace donor funding with domestic resources, countries often need to invest at higher levels to tackle the growing and changing HIV epidemic. Marginal costs of increased coverage – e.g. finding one additional HIV case – can substantially outweigh the average cost per case. As the projections from AIDS Atlas suggest, this is the case with each of these three Balkan countries, in that maintaining the same HIV incidence rate as in 2017 will require a sharp increase in total HIV spending (see detailed information by country below, based on the IHME HIV Atlas).

**Table 1: HIV/AIDS funding from the Global Fund as of June 2019**

<table>
<thead>
<tr>
<th>LOCATION</th>
<th>NO OF GRANTS</th>
<th>SIGNED AMOUNT (USD)</th>
<th>COMMITTED AMOUNT (USD)</th>
<th>DISBURSED AMOUNT (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOSNIA AND HERZEGOVINA</td>
<td>2</td>
<td>40,494,566.81</td>
<td>40,494,566.80</td>
<td>40,099,321.31</td>
</tr>
<tr>
<td>MONTENEGRO</td>
<td>3</td>
<td>9,621,602.00</td>
<td>9,179,765.73</td>
<td>8,964,285.53</td>
</tr>
<tr>
<td>SERBIA</td>
<td>5</td>
<td>31,848,978.49</td>
<td>31,240,749.42</td>
<td>30,609,681.50</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>8</strong></td>
<td><strong>81,965,147.30</strong></td>
<td><strong>80,915,081.95</strong></td>
<td><strong>79,673,288.34</strong></td>
</tr>
</tbody>
</table>

*Source: Global Fund Data Explorer*

### BOSNIA AND HERZEGOVINA

Starting in 2006, BiH had two HIV grants from the Global Fund. Although BiH remains a country with the lowest HIV prevalence in the EECA region, maintaining this status was challenging in subsequent years. Overall, the country has received over US$40.9 million of funding from the Global Fund as part of the Round 5 and Round 9 grants.

BiH became ineligible for new Global Fund support before the Global Fund policy on transition funding was adopted in 2016, and its existing funding ended in 2018. The process of transition from Global Fund support was guided by a national transition plan. The development of such a plan was initiated by the United Nations Development Program (UNDP) (which had been a primary recipient of Global Fund grants) in close collaboration with national stakeholders, including CSO’s and government. The final plan was rigorously reviewed by the Global Fund and eventually became a basis for a no-cost extension in 2015. The Ministry of Health first budgeted specific support through CSO’s working in the field of HIV in 2019. However, the lack of funding has forced all CSO service providers to close down, except for one in which most work is undertaken by volunteers as it has no means to pay staff salaries.

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9 Interview with Margina Association, August 2019.
BiH has a complicated public administrative system that is highly fragmented with public health responsibilities undertaken by different agencies within different administrative units. Therefore, public commitments to fund HIV services are hard to realize and difficult to execute. As shown in Figure 2, public funding (blue bars) for HIV has been steadily increasing over the last decade. However, the rate of increase has not been sufficient to generate the same level of funding as with the Global Fund grant (green bars). Besides, according to the IHME HIV Atlas, maintaining the same level of HIV incidence will require a significantly higher investment in HIV programs in the coming years. The investments shown in Figure 3 are for prevention and testing as well as for care and treatment of people living with HIV (PLHIV). Consequently, according to these projections, BiH needs to double its HIV spending by 2028.

**Figure 2:** BiH – HIV funding by source

**Figure 3:** BiH – HIV funding and incidence projections
Since 2006, Montenegro has had three HIV grants from the Global Fund, including the current grant scheduled to end in August 2021. Overall, the country has received (amount disbursed by the Global Fund) US$8.8 million as part of Round 5 and Round 9 grants and the current grant is for US$830,000, while the government’s commitment for this grant period is US$441,558.

Montenegro became ineligible for both HIV and TB in 2008 (when it had moved to UMIC status with less than high disease burden for both HIV and TB) with grant support ending in June 2015. Montenegro became re-eligible for the 2017–2019 allocation due to its increased HIV prevalence among the population of men-who-have-sex-with-men (MSM) (estimated as 12.5%). The current grant aims to support advancements in financing of to deliver services for KAPs. Due to the high HIV prevalence among MSM, it is expected that Montenegro will retain its eligibility status for Global Fund support for the next allocation period.

During the period of ineligibility, the government of Montenegro provided funding for treatment and prevention services for the general population and some services were even scaled-up (such as opioid substitution therapy (OST)). However, the increase in domestic funding remained insufficient to cover all services (see Figure 4) and the funding of services for KAPs was largely absent until the end of 2017. According to a case study by the Eurasian Harm Reduction Network, the cessation of Global Fund support in 2015 had a detrimental effect on prevention programs for KAPs which were implemented by local NGOs. Two of the largest harm reduction NGOs – CAZAS and Juventas – continued to provide services

**Figure 4:** Montenegro – HIV funding by source

![Montenegro HIV funding by source](https://data.theglobalfund.org/grants/MNE/HIV|AIDS)

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12 See, [https://www.cazas.org/](https://www.cazas.org/)

13 See, [https://www.facebook.com/nvo.juventas.3/](https://www.facebook.com/nvo.juventas.3/)
for people who inject drugs (PWID) until supplies (needles and syringes) procured through the Round 9 grant were expended; however, in mid-2016, they also had to close their services\(^{14}\).

In January 2018, the government of Montenegro issued the first call for proposals for domestic NGOs to provide services for KAPs, effectively making it the first country to allocate domestic resources to fund services for KAPs\(^{15}\). The development of this social contracting mechanism was supported by donors – the Global Fund, UNDP and OSF\(^{16}\).

Overall, Montenegro will need to substantially increase funding for its HIV response. Despite low HIV prevalence, estimated stabilization of HIV incidence will require a doubling of its investment in the HIV response by 2030, putting increased pressure on the domestic budget (see Figure 5; estimates developed by IHME HIV Atlas).

**Figure 5**: Montenegro – HIV funding and incidence projections

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\(^{15}\) Garmaise, Ibid.


\(^{17}\) OSF, 2017, Ibid.

\(^{18}\) Comments included in the 2017 Global Fund Eligibility List. [https://www.theglobalfund.org/media/5601/core_eligiblecountries2017_list_en.pdf](https://www.theglobalfund.org/media/5601/core_eligiblecountries2017_list_en.pdf)

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**SERBIA**

As an upper-middle-income country, Serbia’s funding ended abruptly when it became ineligible for further Global Fund’s support after its HIV burden was deemed “moderate” based on official disease burden data provided by UNAIDS in 2012. Due to the increase in the HIV epidemic among KAPs (especially MSM), it regained eligibility in 2015; however, as it was the middle of the Global Fund 3-year allocation period, the country could not receive any funding\(^{17}\). Serbia HIV component met the criteria for two consecutive eligibility determinations, in 2015 and 2016\(^{18}\) and the country’s current grant was began in 2019. Consequently, there has been a significant funding gap in Serbia’s response to HIV among KAP between 2014 and 2019.
During the absence of Global Fund support, the Serbian government provided funding to, and has increased its allocation for, HIV. It has provided funding for antiretroviral therapy (ART), OST and for some NGO-based testing services for MSM. Besides the central government, municipal governments have also provided limited funding for NGOs working in support of the HIV response\textsuperscript{19}. However, UNDP has estimated that such government support constitutes only 6% of the funding previously provided to NGOs in the HIV sector by the Global Fund\textsuperscript{20} (see Figure 6). Prior to 2014, there was a vibrant and evolving NGO-based service delivery network in Serbia; however, the secession of Global Fund support, and the inability of the government to replace this funding, has resulted in the closure of many NGO-based HIV prevention services and even of the service providers themselves\textsuperscript{21}.

Serbia will need to further increase its HIV spending to maintain low incidence rates (see Figure 7).

\textbf{Figure 6:} Serbia – HIV funding by Source

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{Fig6.png}
\caption{Serbia – HIV funding by Source}
\end{figure}

\textbf{Figure 7:} Serbia – HIV funding and incidence projections

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{Fig7.png}
\caption{Incidence Rate in Serbia 2000–2040}
\end{figure}

Both donors themselves, as well as civil society actors, are concerned about the negative effects of donor withdrawal. The cessation of services or the reversal of HIV epidemics among KAPs, have resulted in a call for greater focus on the transition process from donor to local/domestic funding.

The Global Fund itself has been reshaping its approach to transition. In 2016, the Global Fund adopted a Sustainability, Transition and Co-Financing Policy which now allows countries to plan for their disease response after the withdrawal of donor support. According to this policy, a country’s status as “transitioning” will be defined at an early stage, giving a country time to plan and prepare for taking over the funding of services. The Global Fund “bridges” the impact of funding withdrawal by providing investment into the health system as part of the national grant to help a country to establish sustainable programs and through providing a “transition grant”. This gradual transition approach is supposed to give national governments sufficient time to develop systems needed for the response as well as mobilize needed resources.

Some donor and civil society stakeholders believe that a special mechanism – which could be called the Sustainability Bridge Fund (SBF) – should be introduced to ensure that countries have the required capacity to maintain and scale-up their response to end the three epidemics after they are no longer eligible for international funding and, additionally, to also mitigate the damage of failed transitions if and when they arise.

According to the Info Note issued by the Civil Society Sustainability Network (CSSN) in November 2018, such a SBF could target investment in the following areas:

- Advocacy support to:
  - Improve the quality of policies that can increase cost and allocative effectiveness, such as procurement and supply policies, normative treatment guidance, prevention standards, etc.;
  - Establish better national policies to engage with NGOs as service providers (social contracting); and,
  - Inclusive national platforms to govern disease responses or broader health governance.

- Improved implementation of national transition plans such as:
  - Support dialogue between parliamentarians, civil society, academics, and other critical in-country stakeholders; and,
  - Support transition monitoring, oversight and broader efforts aimed at strengthening government accountability.

- Piloting and championing alternative domestic fundraising initiatives, such as facilitating public-private partnerships, innovative financing, etc.

- Provision of emergency funds to address critical service gaps and/or support for the re-establishment of services where they have collapsed so as to demonstrate what must eventually be supported through domestic funding.

According to CSSN, the SBF should be complementary to the existing donor transition efforts and could also work as a mechanism for coordination and communication among relevant donors during and after the transition.

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In 2018, OSF jointly with the Eurasian Harm Reduction Association (EHRA) and DPNSEE to provide funding to three harm reduction organizations in Serbia, Montenegro, and BiH to support their budget advocacy efforts. This project, although not specifically designed as a SBF pilot, has served the purpose of ensuring the sustainability of harm reduction services after the transition from Global fund support until national funding becomes available and can be viewed as a demonstration of the SBF approach in the region.

ABOUT THIS CASE STUDY

This case study is based on information collected through a desk review and interviews with implementing partners and looks at the implementation of the project as one demonstration of the SBF mechanism with the objectives of:

- Documenting the SBF pilot approach in 3 Balkan countries and to analyze the strengths and weaknesses of this approach and the develop of suggestions for improvement; and,
- Documenting the results, successes and challenges of the budget advocacy projects supported through the SBF approach.

Interviews were recorded between April and July 2019. During the development of this case study, project implementation was not completed, although it was at an advanced stage, allowing for the interpretation of results.

It looks at the applicability of this specific SBF approach: considering that SBF is an evolving concept and modalities for implementation could vary, understanding of strengths and weaknesses of each implementation modality will help to shape future implementation decisions.

The results of this implementation of the SBF approach were interpreted through the dual prisms of:

- **Sustainability of NGOs**: NGOs are most susceptible to the negative impact of transition; diminishing civil society activism negatively affects services for key populations; and,
- **Sustainability of services**: the inability of the government to provide substitute funding immediately after the transition mostly impacts services delivered by NGOs to key populations.

DESCRIPTION OF THE SBF MODEL

Since the exit of the Global Fund, OSF has been active in supporting local community organizations to maintain the results of the HIV prevention programs in the Balkan region. This support was instrumental in Macedonia, where the local NGO, HOPS, in cooperation with the Civic Platform for Sustainability of HIV Programs (a platform of all NGOs working on the HIV issue), has successfully advocated for a public allocation for harm reduction services. This project builds upon the successful experience in Macedonia.

The Macedonian experience was quite exceptional. HOPS and the Health Education and Research Association (HERA), in partnership with another Macedonian NGO – the Association for Emancipation, Solidarity and Equality of Women (ESE), an organization which does not work in the field of harm reduction but has a successful track record of budget analysis and advocacy for maternal and child health - conducted a budget analysis and, using this information, advocated with the country’s new government for a public allocation for harm reduction services after the transition from the Global Fund.
In 2017, OSF funded a regional workshop to discuss the Macedonian experience with other Balkan countries. Inspired by this experience, Serbia, Montenegro, and BiH expressed their readiness to replicate the approach in their respective countries. DPNSEE, a network organization in the Balkan region, negotiated the details with OSF and the grant was given to them for budget advocacy work in these three countries; the financial agent for the grant was EHRA.

The project started in June 2018 with a total budget of US$70,000 for the period to April 30, 2019, and later extended until the end of September 2019; national sub-sub-recipients started work at the beginning of September 2018.

The objectives of the project included:

1. Capacity building of NGOs active in harm reduction programs through the provision of technical assistance in the field of budget advocacy; and,
2. Budget analysis, monitoring, and advocacy of budget allocation and implementation for harm reduction.

One of the key success factors of this project was that the need for funding came from the ground – these were community organizations that initiated and formulated the needs for which the funder allocated the support.

PROJECT IMPLEMENTATION STRUCTURE

The project was implemented at a sub-regional level with one sub-recipient and three sub-sub-recipients. The main sub-recipient, DPNSEE, managed the project implementation process and provided opportunities for networking and experience sharing among the three countries.

DPNSEE was created in 2015 in response to failing harm reduction services in the Balkan region. This network unites 26 organizations from 11 countries. Most members are harm reduction organizations, although some have a broader scope, such as human rights, or work with other target groups, e.g. MSM. The main strategic priority for the network is to ensure the sustainability of harm reduction services. Being a young organization, funding from OSF also aimed to support the network itself. Funding provided within the project covered limited costs of core staff in DPNSEE and national sub-recipients as well as costs related to capacity building activities and external technical assistance.

DPNSEE has provided important inputs to the project. It has created opportunities for communication and exchange between member countries. It not only managed the replication of the Macedonian experience to the three project countries, but shared project learning so that it has had an impact on all 26 members of the organization. Exchanging information among members, especially successful cases, serves as an inspiration to others. Network organization can also play a crucial role in building strategic partnerships at a regional level to attract strong civil society actors from other fields to include advocacy for harm reduction in their work.

There were no formal guidelines or criteria used for country selection for this project. Initiatives came from the countries themselves. It was assumed that the three countries shared similarities as they all emerged from the former Yugoslavia. However, during the implementation period, a number of significant differences were observed in terms of the functioning of their national public systems and each country has its unique challenges and successes.

The national teams were composed of a main sub-sub-contractor – Margina (BiH), Juventas (Montenegro) and Prevent (Serbia) – all drug user/harm reduction organizations, and their civil society partners. The main sub-sub-contractor in each country was responsible for identifying key civil society
partners from different sectors. This was mainly undertaken through an open call for expressions of interest. Although it was a challenge to engage organizations from other sectors, limited engagement was still ensured from organizations working in the field of human rights, public finance, or similar. In addition, each country hired a national consultant(s) to collect data and conduct budget analysis.

At the beginning of the project, country teams had a National Training, conducted by the experts from Macedonia – Darko Antik (ESE) and Vlatko Dekov (HOPS). During the training, national consultation teams were formed, and each country has developed a National Budget Advocacy Action Plan.

The following stage of implementation was the production of budget analysis, undertaken retrospectively (for the previous period) and findings were used to advocate for funding in 2019 and beyond. This was a “bumpy road” as the organization had little-to-no experience and external political factors had a significant influence over the process.

The results of national budget analysis are summarized as a part of a separate regional report that looks at the situation in all three countries and provides a comparative benchmark for future advocacy.

COUNTRY-LEVEL WORK

MONTENEGRO

The project in Montenegro was coordinated by the NGO, Juventas\(^2\). They mapped key stakeholders to be involved in the process and to be invited for the training. Those attending the training included representatives from Juventas, Queer Montenegro, Institute Alternative, the Montenegrin HIV Foundation and CAZAS (Montenegrin Association for Fight against AIDS). This group defined the scope of the analysis to include budgets for the past three years for three ministries: The Ministry of Health, the Ministry of Labour and Social Care and the Ministry of Justice.

Montenegro selected a 2-stage approach to budget analysis. The initial stage consisted of an analysis of publicly available information. The analysis was conducted in-house and the results were supplied to a consultation team established for the project. This team included individuals with various and relevant expertise (harm reduction, public policy and advocacy, finance and budget). The team used the initial analysis to identify a more focused scope for the in-depth Stage II analysis.

Stage II analysis was based on information not publicly available and which should have been requested from the relevant agencies. However, the focus of these requests was already known and included the budgets of the three ministries. Acquiring official information from each of these institutions took a little longer than expected.

Of the three countries, Montenegro had the most structured approach to budget analysis, leading them to greater success in focusing their budget advocacy efforts. As a result of the scoping work employed at the first stage, further data exploration efforts were more focused. Considering that data collection was a major challenge for all the countries, having a clear focus reduced the volume of data needed and improved the quality of the data collected. The fact that the local NGOs were actively involved in budget advocacy work for harm reduction services even before the start of this project has also contributed to greater success of the activities undertaken.

One of the important results of the analysis was the identification of the Ministry of Justice as a potential source for funding. This agency has never been a target for any advocacy efforts from harm

\(^2\) See, http://www.juventas.co.me/me/
During the project implementation process, the Government of Montenegro increased the budget of the HIV/AIDS State Program from €140,000 to €200,000, and some funding will be allocated for harm reduction services. At the time of writing this case study, this funding increase was submitted to the Parliament for approval as an amendment to the Budget Law 2019.

In addition, the project team participated in the development of sectoral analysis for the Ministry of Health. The sectoral analysis is a basis for the allocation of public funds to NGOs and participation in this process is an important step for budget advocacy. Alongside improved working relationships with the line ministries, especially with the Ministry of Health, a new action plan for HIV/AIDS for 2019/20 now includes harm reduction activities to be funded from the state budget.

BOSNIA AND HERZEGOVINA

Activities in BiH were led by the local harm reduction NGO, Margina. They produced excellent budget analysis as a result of having highly competent individuals to conduct the analysis. The national consultation team was also engaged in the process and gave feedback to the analysis.

Despite the complexity of governance structures in the country, the two consultants were successful in analyzing the health budget at the federal level – the Ministry of Health of the Federation of BiH, as well as at the sub-national level - and the Ministry of Health and Social Protection of the Republic of Srpska; obtaining information from the latter was an especially slow process. The period covered was 2016, 2017 and 2018.

In addition, the analysis covered budget information of the Health Insurance Fund, the main source of health care financing, even though obtaining the data from the Fund itself was impossible due to political instability.

One of the important findings of the analysis was the identification of excise duty tax from tobacco, alcohol, coffee, carbonated juices, beer, and wine as a new potential source of revenue for harm reduction funding. Only 0.5%–1% of the annual funds collected from excises (BAM2.5–5 million – the amount that was provided by the Global Fund in the period when BiH was eligible) would be enough to cover all the required services.

The consultants prepared an amendment to the Law on Excise and partnered with several parliamentarians to lobby the idea of earmarking a percentage from the excise duties towards health services (which would include harm reduction services as well).

Margina became the first organization to receive accreditation to deliver harm reduction services. As a part of seeking accreditation, Margina faced significant challenges, including the absence of any standards for accreditation. They worked closely with the accrediting body to develop those standards. This accreditation is an official recognition that harm reduction services are a public necessity and that they meet a minimum quality, as well as allowing access to public funding.

SERBIA

The project in Serbia was coordinated by the NGO, Prevent. They established a coalition with several other organizations and delineated their respective responsibilities. Association Remix was responsible

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24 See, https://margina.ba/
25 See http://prevent.org.rs/
for promotion of the results; Timok Youth Centre\textsuperscript{26} and the Policy Analysis and Creation Group\textsuperscript{27} were in charge of advocacy with political parties; and the Standing Conference of Towns and Municipalities\textsuperscript{28} was engaged in consultations and budget analysis.

Serbia had a specific challenge with budget analysis – despite a legal requirement, budget execution reports have not been filled in by the government since 2002. This information was directly requested from the Ministry of Health. An appeal had to be made to the Law on Access to Information of Public Interest to get this information and, despite a lengthy process, it was finally obtained.

The budget analysis includes an overview of revenues and expenditures of excise duty tax from tobacco, alcohol and other sources for the period 2015–2018 and funds collected on the basis of the principle of opportunity of prosecution (deferring from a criminal prosecution based on a genuine remorse of a suspect, often in exchange of certain fees paid by the offender) in order to uncover revenues collected from drug offence cases.

The project initiated a political declaration in support of harm reduction which is now been signed by nine political parties. Timok Youth Centre is preparing a cost-benefit analysis of harm reduction services, but planned activities to conduct monitoring of public tenders by the Ministry of Health has failed due to problems with implementing partners.

Currently, the main advocacy target is to introduce a dedicated budget line for harm reduction in the Ministry of Health budget which is being negotiated as a part of the new Global Fund grant.

### KEY ACHIEVEMENTS AND LESSONS LEARNED

Donor withdrawal and the inability of national governments to take over these responsibilities have led global civil society to explore the need for bridge funding to ensure the sustainability of existing results. SBF, which is still a concept and not yet fully defined, can be provided for goods and supplies but, most importantly, for advocacy work which is even less likely to be supported by national governments.

The objectives of the project – to build the capacity of harm reduction NGOs in budget advocacy, and to conduct budget analysis and advocate for budget allocation and implementation for harm reduction – were materialized and important lessons learned have been generated in terms of how similar funding can be used to support the sustainability of harm reduction advocacy in other countries and regions.

The experiences gained to-date allow us to make observations regarding (I) the applicability of this approach as the project served as a demonstration of the SBF; in addition, the results of the project have been evaluated from two perspectives, this is (II) the sustainability of regional/national NGOs and their contribution to activities within this project to (III) ensure sustainability of harm reduction services at national/local levels using government funds.

### I. APPLICABILITY OF THE SBF APPROACH

With the potential evolution of SBF, it is important to gain insight into the applicability of specific approaches to its implementation. In general, applicability is understood as a measure of the extent to which observed realities of this implementation will hold true/be replicable in another context. Considering that this project was not planned as a pilot of a certain model, the project itself did not have
a specific evaluation framework. Therefore, the framework for evaluation was developed retrospectively and relevant data collected.

Applicability of this specific model has been looked at from the perspective of (I) its relevance to the context; (II) its replicability in a different context; and, (III) the strengths and weaknesses of this demonstration in terms of organizational model, implementation period and funding amount.

The approach has been highly relevant to the context: services and NGOs in all three countries have suffered from the interim funding gap following donor withdrawal and, therefore, the provision of SBF was relevant. However, the impact of this SBF project was challenged by several factors: before project initialization, there was a significant period of time in Serbia and Montenegro that resulted in some services and service provider NGOs having to close down, and, furthermore, the scope and size of the project was very small to bridge the funding gap for either the provision of services or for NGO operational support, such as the funding of staff salaries or in covering the costs of maintaining NGO-based services.

This SBF approach has been particularly relevant for the regional organization, DPNSEE, the sub-recipient of the grant. It directly responded to the objectives of the network and helped them to mobilize its members around this specific project.

The relevant aspect of the SBF approach was the topic – budget advocacy. All three countries need domestic funding to sustain harm reduction. Despite eligibility for Global Fund funding, such anticipated, or actual, domestic funding is only a fraction of what is actually needed. Therefore, domestic budgets are the ultimate source for funding of services and for NGOs providing those services. However, it is important to engage local counterparts in the process of defining the focus of SBF, as the decision about priorities should come from the ground, i.e. the local/community level.

The project had a simple “train and practice” design, which makes it easily replicable in other contexts. Project implementing partners assumed that knowledge about budget analysis and advocacy was specific to this context (experience from Macedonia was relevant to other Balkan countries; selected countries have shared their respective history, which makes their current realities more similar, etc.). However, the implementation process and obstacles faced by each country partner showed significant differences among those countries in terms of public administrative systems, access to public information, potential sources of revenue to be analyzed, key stakeholders, and other issues. Upon reflection, it appeared that countries had more differences than similarities. Therefore, one can assume that this “train and practice” can be replicated in other contexts. An important aspect was mentorship and ongoing support provided by the Macedonian partners and DPNSEE. After the training, all countries faced a significant challenge in the actual execution of budget analysis. Having an experienced and knowledgeable partner/mentor was considered very important.

Implementation of the SBF model provided insights into its strengths and weaknesses as viewed through the following prism:

- **Organizational model** – the organizational model of the project ensured the inclusion of two regional organizations: EHRA, which is focused on the region of Central and Eastern Europe and Central Asia (CEECA), and DPNSEE, focused on the sub-region – the Balkans. Interviews with implementing partners have demonstrated that this arrangement has brought significant networking opportunities and allowed the sharing of experience beyond project implementation countries and has also contributed towards a more streamlined management of the process. This is especially true in the case of DPNSEE which has provided actual management of country implementation. The project had significant delays in its implementation and required the revision of contracts with individuals as well
as with EHRA. This process required managerial experience, which was presented within both networks.

- An important aspect of engagement of regional organizations is that most of the NGO service providers have a focused view of the problem – lack of funding for services – while regional organizations provide a broader view, having better knowledge and access to key stakeholders. As a result of bringing these two views together, the advocacy process was more focused on the actual needs of the communities but had a broad understanding of processes, both of which influence relevant funding allocations.

- The implementation period of the project was short. Contracts with national recipients were signed for the period August 2018 to April 2019 and the project continued operating until October 2019 with a no-cost extension to complete planned activities. It was a challenge for the national partners to complete budget analyses in this timeframe. Advocacy for budget allocation is an even lengthier and unpredictable process considering the number of factors – beyond the lifespan of any project – which influence the decision of a government. For example, as noted by the project implementors, the success of Macedonia was the result of having the right budget advocacy arguments at the right time – when the government changed, and the national NGO gained a chance to influence that new government. There are no golden rules about the duration of budget advocacy, but one would assume that after budget analysis has been completed and appropriate arguments formulated, the organization should have enough time to influence the respective budget cycle, which is 3-4 years, if the target is to establish a strategic priority for the allocation of funds to harm reduction²⁹, or at least 1 year if the target is limited to a change within an allocated budget.

- Sufficiency of budget/funding level can be judged differently. As one of the respondents noted, NGOs have an ability to fit the budget provided and to ignore the actual cost of their work (by providing volunteering contributions, etc.). Considering that the project activities included a few trainings and the technical work of individuals, the funding level was evaluated as sufficient by the organizations. However, it was noted that during the advocacy process, the funding need would depend upon actual activities planned and this budget could be insufficient. In addition, this project had two financial intermediaries before the grant reached the national NGOs which resulted in a reduction of funds available for direct activities.

II. SUSTAINABILITY OF CIVIL SOCIETY ACTORS

One of the key results of the project was an increased capacity and competence of harm reduction NGOs in public financing, budget analysis, and monitoring. Although none of the NGOs had previously conducted budget analysis themselves, working with experts in this field equipped them with substantial understanding of budgeting processes. In addition, strategic partnerships established with other civil society actors beyond the field of harm reduction has broadened the number and type of advocates of harm reduction services through the provision of information about the need for such services to organizations not previously familiar with them. In addition, organizations from other sectors have equipped harm reduction NGOs with skills and support not previously present within their own organizations.

²⁹ Usually countries have some type of medium term expenditure planning framework in place which defines priorities for public funding at a national level given the economic outlook of the country while actual budgets for specific programs are planned and executed within a year. However, there are numerous exclusions from this process eg the National HIV Response Program ‘or strategy or action plan’ can be for a different period and can be used to guide public allocations. Therefore, time for advocacy excluding time for budget analysis should be defined based on the advocacy target and national realities.
During the project implementation period, small interim funding was provided to help maintain core staff before new funding streams could be utilized. This has helped to maintain staff who are instrumental in ensuring change and advocacy but who cannot be supported from service funds.

In some cases, the public sector is very closed, and NGOs have very limited access to information. Increased capacity of NGOs on how to obtain public data is an important outcome in strengthening the position of civil society actors as watchdogs of public accountability.

Project funding ensured that NGOs have a better understanding of other funding streams and, specifically, to participate in discussions about the new Global Fund grant. Overall, the sense of ownership of local action plans has increased and NGOs expect new donors to align their activities with local needs:

“[we were told that] this has to be done because of the Global Fund project, and we, from the civil society, said, no, no, this has to be done because we need to have sustainable services for people. Not because the Global Fund currently wants to give us some money, we have to find solutions, which will be long term...[as a result] there is a commitment from the Ministry of Health that they will continue [funding] after the project.”

Milutin Milošević, Director, DPNSEE

This demonstration project showed the importance of evidence-based advocacy. Budget analysis carried out by the organizations is evidence for future advocacy efforts.

### III. SUSTAINABILITY OF HARM REDUCTION SERVICES

It is always difficult to judge the results (outcomes) of advocacy projects as those outcomes are often attributable to several factors and the process leading to the results could be long-term. Therefore, the link between output and outcomes can be questionable.

Each of the national projects produced a national budget analysis report, including tables. These reports have significantly improved the understanding of the funding landscape at the national level and improved the relevance of national budget advocacy plans. The findings of each budget analysis were an “eye-opening” experience for harm reduction NGO staff as they saw that there are funds in the system the report equipped them with the evidence to prove the existence of these funds; this gave them the courage to be more demanding in their advocacy efforts and not to accept the argument that there is a lack of funds.

“This was the first time when I saw this huge amount of money and now, I have a statement for all those public servants on where they should put these funds.”

Denis Dedajić, Margina, BiH

In addition, collaboration among countries – the regional aspect of the project – provided opportunities to increase the capability of exchanging experience, leading to the actualization of new revenue sources to be used for harm reduction funding – new revenue source identification – and thereby focusing the attention of NGOs on licensing/accreditation mechanisms, such as the introduction of market entry barriers to regulate the quality of harm reduction services.

Budget analysis, which was conducted for the first time in the field of harm reduction in these countries, revealed significant issues in the national public financing sector. For example, in Serbia it was discovered that a budget execution report was last produced 16 years ago, while in BiH, it was the
first time that harm reduction NGOs had robust arguments proving that harm reduction funding was feasible from current public revenues. In Montenegro, the project identified a new public funder – the Ministry of Justice – which had never previously been targeted for harm reduction support.

During the project implementation period, the countries made significant progress by increasing the budget allocation for harm reduction or in developing the premise to do so in the future. These outcomes are the result of long-term work and cannot be attributed solely to this project, but the budget analysis has triggered more open and heated discussions around budget allocations:

- Serbia – the HIV budget line, “Support for activities of CSOs in the areas of prevention and control of HIV infection” appeared for the first time in 2019 public budget. The amount of funds allocated from domestic sources is about €93,000 and the Ministry of Health expect the Global Fund to invest a further €317,000 for these activities (information from Prevent as of August 2019);
- Montenegro – the Allocation for HIV increased from €104,000 to €200,000 for 2019; and,
- BiH – Amendments to excise duty taxation are in parliament; this amendment has the potential to generate a significant funding stream for health activities; an allocation of 0.5%-1% of excise duty tax to harm reduction activities would be sufficient to cover program needs to the same level as it was during Global Fund support (approximately US$1.2 million per year), an increase from the currently budgeted US$80,000 per year.

Several factors have been identified that contributed to the conducive environment of this project:

- **The regional aspect of the project** – this allowed for information/experience exchange among 26 organizations.
- **Knowledge transfer** – HOPS and ESE, hired to organize the trainings, had practical experience with budget advocacy; they were able to share information about what had, and had not, worked in their experience.
- **Comparability/transferability of experiences** – since the Balkan countries share similarities in public financing, as well as the general political situation, the experience of Macedonia was highly relevant to the project countries.
- **Mentorship/follow up support** – HOPS and ESE provided follow-up support to the organizations by inquiring about the processes and supporting them when they reached bottlenecks in their implementation.
- **The flexibility of national plans** – as the data for budget analysis becomes available, it uncovers potentially new opportunities for advocacy. Allowing modification of national advocacy plans developed at the very beginning of project implementation was one of the key results of the flexible management of the project.

**KEY CHALLENGES**

“Continuity, persistence and a comprehensive approach are very important. For advocacy projects, be they on budgets or other issues, long term commitment is very important.”

Milutin Milošević, Director, DPNSEE

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³⁰ Program reports and budget analysis produced as part of this project for Serbia.
• Underdeveloped public accountability systems impeded the collection of information required by civil society actors for budget analysis. This included the absence of public budget execution reports and the lack of clarity as to the responsibility of public agencies to provide public information. In addition, some public institutions were closed to any communication with civil society actors;

• Delays in obtaining public information were common throughout the project and created an overall delay in project activities;

• Political instability in countries limited the accountability of public agencies to civil society actors and, as a result, some of the public information requested was never obtained;

• Limited interest and commitment among civil society actors outside the harm reduction field resulted in difficulties in establishing effective working relationships with public finance/watchdog organizations;

• Lack of capacity was also a common challenge among NGOs involved in the project;

• The “image” of harm reduction NGOs was also a barrier for them to engage in the debates around public finances. They were viewed as only health-focused organizations and were not invited or welcomed to engage in the discussions about other policy issues;

• Coordination of donor-funded initiatives. The negative effect of the Global Fund transition observed in Balkan countries has forced civils society actors to strategize on how to use the limited resources still available. As a result, NGOs now have to coordinate efforts among multiple donor activities, including the Global Fund-supported regional project, and to ensure that such initiatives follow a local action plan rather than one directed by the donor, which is a challenging task to accomplish;

• The limited duration of the project, which was one year. Budget advocacy efforts are multi-year activities. At least one year is needed to conduct a budget analysis and then plan for advocacy efforts. Therefore, such projects should receive support for between 2 to 5 years;

• Sustainability of the gains made to capacity building and budget advocacy efforts – budget analysis was conducted, and the capacity of those NGOs involved was increased. Those NGOs now have better and more specific advocacy targets as well as information for advocacy; however, without funding and ongoing analysis, these gains will be lost.

POTENTIAL FOR TRANSFERRING THIS SBF EXPERIENCE TO OTHER SETTINGS

The piloting of the SBF in 3 countries is a good example of knowledge transfer within the region. The transfer occurred within a region (the Macedonian experience to project countries), at a project level (among countries, e.g. the case of excise duty tax on tobacco and alcohol) and within each country (learning from other NGOs and sharing their experiences). This project implementation modality can be transferred to many settings, with consideration that:

• The “region” is narrow enough to include significant shared experiences by the countries; and,

• Project countries share significant similarities. This should include similar public financing systems (similar taxation systems, budget revenues types and, perhaps, comparable volume, as well as regulations about public procurement and NGO participation, etc.)

In the case of the Balkan region, the experience of Macedonia was very much transferable to other project countries. DPNSEE has suggested to expand the approach to include Kosovo and Albania but not to European Union (EU) member states as their public financing systems are different.
KEY RECOMMENDATIONS FOR THE IMPROVEMENT OF THE SBF APPROACH WITHIN THE IMPLEMENTATION OF OTHER PROJECTS

- **Broaden the scope of strategic partnerships** by supporting the inclusion of civil society organizations engaged in public financing and monitoring work at the regional level and through their national members.

- **Provide continuous funding to advocacy efforts** as those actions are not yet supported through any domestic funds, nor are harm reduction organizations sufficiently self-sustainable to continue their efforts beyond the existing project life span. This is especially the case with budget analysis which requires external expertise to be renewed in the coming years. Budget analysis takes at least one-to-two years but 5 years is preferable to get meaningful results.

- **Provide support for coordination of donor-funded initiatives** in order to keep limited funding streams focused on actual needs, avoiding overlap and to maximize impact. Regional organizations can be instrumental in this process and help donors to avoid overlap.

- **Funding levels should be commensurate with the activities and level of effort projected.** Some of the advocacy activities (such as campaigns) might require funding for activities which go beyond staffing and limited administrative costs. It is important to provide allocations that reflect the true costs of the activities.

- **Timeframes should be reasonably commensurate with advocacy targets.** There are no golden rules on how long it takes to have a successful budget advocacy project. However, a retrospective budget analysis for a novice organization can take one year and more. Advocacy targets based on this analysis should be given sufficient time to influence the budget cycle. This can vary from one to 3–4 years based on country realities.

- **Keep the SBF mechanism responsive to ad-hoc demands** – since policy and political situations are dynamic, the demand for unforeseen small scale support can emerge that require a rapid response (e.g. parliament is discussing a piece of legislation and there is a need for legal analysis to participate in public debates).

- **Engage national counterparts, especially from the NGO sector, in the process of selecting the focus of the SBF** in order to use limited funding to respond to the actual needs.