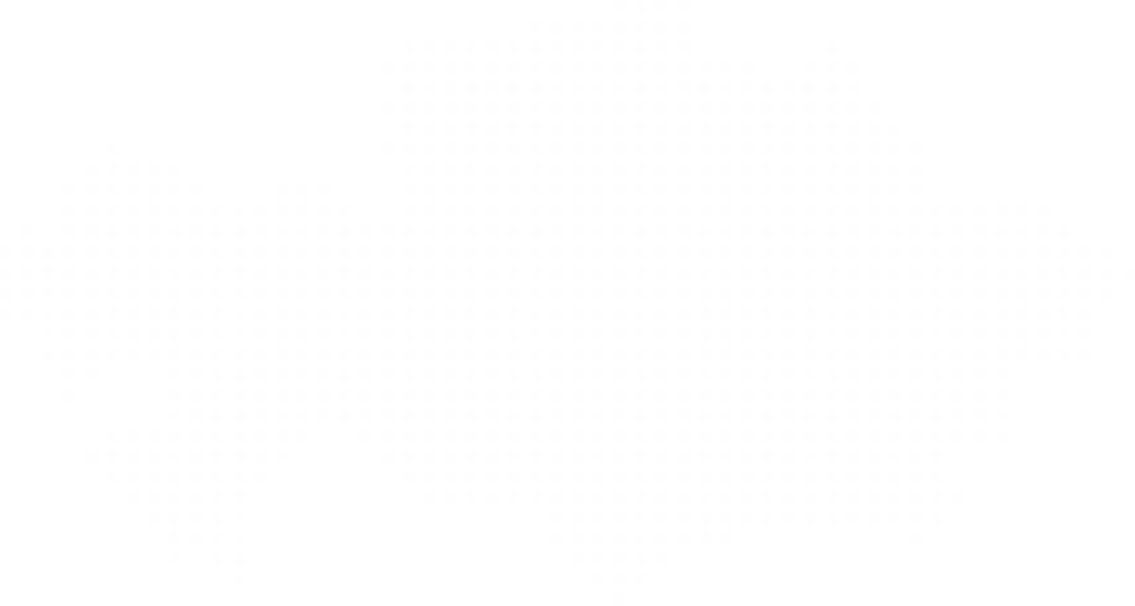
ANALYTICAL REPORT





ASSESSMENT OF READINESS OF THE REPUBLIC OF KAZAKHSTAN

to ensure sustainability of HIV-related services with funding from the state budget

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Analytical report

«Assessment of readiness of the Republic of Kazakhstan to ensure sustainability of HIV-related services with funding from state budget».

*This study is aimed at identifying readiness of the Republic of Kazakhstan to ensure sustainability of HIV-related services with state resources. The outcome of the study is to define priority directions to ensure sustainability and performance of the system of HIV-related services with budgetary funding.*

*This document has been prepared in the framework of implementing a grant of the Global Fund to fight HIV, Tuberculosis and Malaria to ensure sustainable response to the spread of HIV infection in Kazakhstan, by institutionalizing the system of social contracts to expand access and services to KP and PLH.*

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Assessment of readiness of the Republic of Kazakhstan



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# ABBREVIATIONS

ARVs - Antiretroviral medications

**HIV/AIDS** - Human immunodeficiency virus/Acquired immunodeficiency syndrome

EECA - Eastern Europe Central Asia

**WHO** - World health organization

SSO - State social order

**Global fund** - The Global Fund to Fight AIDS, Tuberculosis and Malaria

KSCDID - Kazakh scientific center of dermatology and infectious diseases

**PLH** - People, living with HIV

PWID - People, who inject drugs

**MoH** - Ministry of healthcare

MSM

* Men, who have sex with men

RLA - Regulatory and legal act

**NGO** - Non-government organization

**NPJSC** - Non-profit joint-stock company

OST

**HP** - Health protection

* Opioid substitution therapy

RK - Republic of Kazakhstan

**SW** - Sex workers

TB - Tuberculosis

**C&S** - Care and support

SHIF

**CSCI** - Center for support of civil initiatives

UNAIDS

* Social health insurance fund
* Joint United Nations Programme on HIV/AIDS

# SUMMARY

As of 2019, the Republic of Kazakhstan was not considered a country with high HIV infection burden. The World Bank has classified the RK as the upper-middle income country. The share of state funding in countering HIV infection is 92% of the total costs. One of the main declared priorities for the state is building sustainable financing systems in the area of HIV and TB.

Kazakh scientific center of dermatology and infectious diseases has initiated this analysis to identify readiness of the country to ensure sustainability of HIV-related services, using state resources, including the amounts of necessary funding and current regulation. The outcome of analytical work is to define priority directions for ensuring sustainability and performance of HIV and TB-related services, using budget funding.

The study focused on the following mechanisms of service financing:



State social order

State grant

State award for NGOs

State assignment

Procurement of services by the Social medical insurance **fund**

Each of these was analyzed to see, whether it is capable of ensuring sustainability of services and to assess the probability of risks.

The following aspects were subject to analysis as well: state priorities, regulation, funding, distribution of resources, provision of services and readiness of NGOs to work with budget funds.

Based on the data collected, a conclusion was drawn, that there are no structural barriers in the country, which would prevent it from ensuring sustainability of services with state funds. However, there is a need for a set of measures to optimize and increase existing resources, improve program performance and prevent loss of good practices, developed in the past.

Based on analysis, a list of recommendations was developed, which would help in improving effectiveness of measures to ensure sustainability of HIV-related services. Among the main recommendations, the following are highlighted:

1. | To ensure priority of HIV prevention, and care and support programs in the state healthcare system, to ensure their sustainable funding.
2. | To add missing standards and orders to the existing regulatory framework, which would regulate the processes for assessment of needs, coverage, tariffs and oversight of prevention, care and support programs implementation.
3. | To ensure sustainable funding for prevention, care and support services with state funds.
4. | To divide a general pool of medical and social services between guaranteed and extended packages of services, while differentiating the levels of budgetary funding and mandate of funding operators.
5. | To build institutional capacity of HIV-service NGOs, including enhancing the role of HIV-service NGOs in the process of state budgeting, both on national and local levels.
6. | To combine activities on ensuring sustainability of HIV-related services with activities on ensuring sustainability of TB-related services.

# METHODOLOGY

In preparation of analysis, a standardized approach was used, which can be subsequently be used to track the progress of an individual country, and to compare it to other countries of the EUCA region.

This approach takes into account peculiarities of the country and provides qualitative assessment of the following seven indicator dimension:



Political commitment to combating HIV/AIDS and state priorities

Service procurement mechanisms

Regulation of HIV-related services sector

System for service provision in the field of HIV

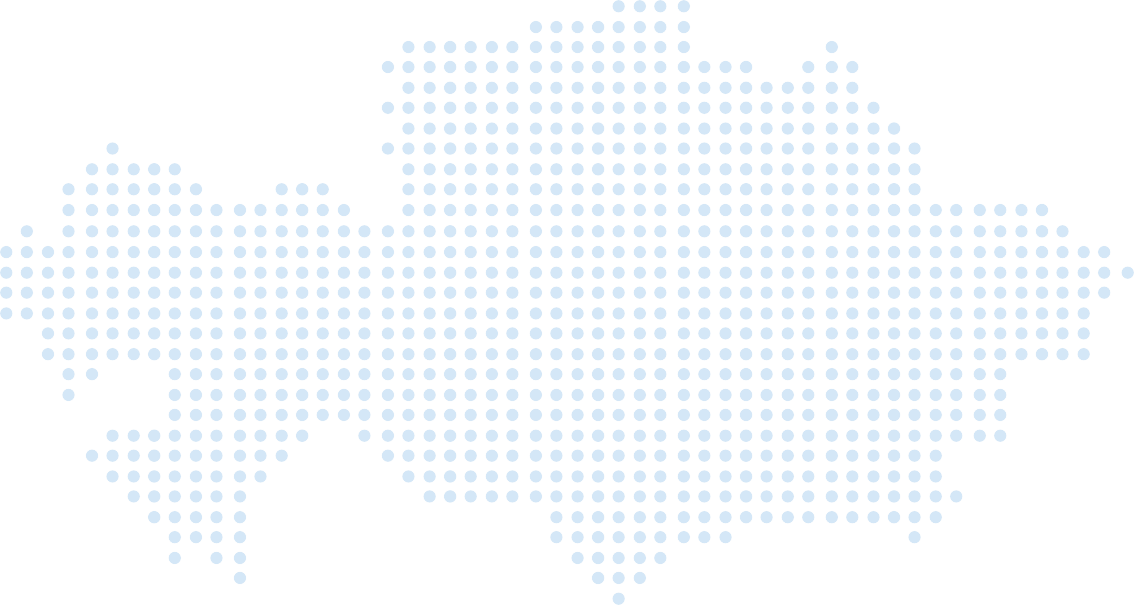
Funding of HIV-related programs

Monitoring and evaluation of HIV programs quality

Role of civil society in ensuring sustainability of services

#### Aim of analysis:

To assess readiness of the Republic of Kazakhstan to ensure sustainability of HIV prevention, care and support services with state resources.



#### Objectives:

1. | To analyze priorities and mechanisms for distribution of budgetary funds and social contracting in the context of ensuring provision of HIV-related services.
2. | To analyze regulatory framework of the process of providing HIV-related services.
3. | To study the probability of risks and challenges, which could affect the sustainability of HIV-related services provision.
4. | To measure degree of readiness of specialized HIV-related NGOs to participate in service provision.
5. | To develop recommendations on improving approaches to sustainable funding of HIV-related services.

#### Study methods:

During the study, analyses of regulatory framework of HIV-related services provision, financial mechanisms for transactions between service providers and customer were done. There were interviews with civil servants, who work at the agencies, engaged in organization and provision of HIV-related services. Analysis of the engagement level of civil society institutes was done through the interviews and an online survey.

# INTRODUCTION

In the framework of this analysis, key areas of service sustainability were assessed: political commitment to countering HIV/AIDS and state priorities; regulatory framework; program funding; service procurement mechanisms; data analysis and program monitoring; system of HIV-related service provision; and role of civil society institutes in ensuring service sustainability.

### Situation overview

The Republic of Kazakhstan is not a country with high HIV-infection burden. Epidemic-countering measures, applied by the country, are effective for maintaining the current situation. According to the estimates, as of the end of 2018, on average 84.1% of population knew about their HIV status, and prevalence of infection among the population in the age group 15 to 49 years was at 0.25%, mostly prevalent among key populations1.

At this stage, the government funds the following with budgetary funds:

* Prevention programs: procurement and distribution of syringes, condoms and awareness-raising materials, wages of outreach-workers;
* Treatment programs: procurement of antiretroviral therapy for treatment and post-exposure prophylaxis, procurement of medications to treat opportunistic infections;
* diagnostics: procurement of test-systems and organization of HIV and HIV-indicator diseases testing2.

By estimates of Kazakh scientific center of dermatology and infectious diseases, the share of government funding to counter the epidemic as of 2019 is 92% of the total resources, aimed at countering HIV. There are 17 non-governmental organizations in the country, which provide services to counter HIV. Of them, 13 work in close cooperation with state-owned centers for HIV/AIDS control, and participate in activities of the current Project of the Global Fund to fight AIDS, Tuberculosis and Malaria.

1. Kazakhstan’s progress report. Global AIDS epidemic monitoring in 2019.
2. [www.kncdiz.kz](http://www.kncdiz.kz/)

Organization of TB-related medical and social services also is at the stage of ensuring sustainable government funding. Currently, a 3-year project of the Global Fund is under implementation in the country. According to the project, the country needs to streamline a system of sustainable service funding. Service NGOs provide services to counter TB mostly with the help of international funding. It is expected that by 2022 half of these costs will be borne by local executive bodies in the regions. Attempts to build a sustainable system of financing TB-related services have been made on local and central levels for several years through the mechanisms of State social order. According to an analytical note3, in 2017-2019 there were SSO procurement announced for TB countering services, however this was not done in a systemic manner. On average, 4 procurement lots were announced per year, but not all of them were successful with the first announcement.

Given the peculiarities of medical and social services provision, as well as funding mechanisms, main proposals and conclusions of this report could be applied both to HIV-related services, and TB-related services. Risks and issues with building a sustainable financing system will be similar in both cases.

1. | Political commitment to countering HIV/AIDS and state priorities

Authorized government agencies lead the efforts to counter HIV epidemic in the country, using budget funds and international financing (primarily through the Global Fund). The state continues to fulfill commitments on countering epidemic. Results of the global monitoring of epidemic in 2019 confirm the successful progress on majority of objectives4.

The Development strategy of KSCDID on prevention and control of AIDS for 2017-2021, identifies the following, as necessary objectives for the near future: building capacity of HIV-service organizations and developing a mechanism for obtaining SSO for NGOs5.

In June 2019, Republican center for healthcare development has presented a draft program on improving health of the population for 2020-2025, it was approved by the Government of the RK in December. The dimension of HIV prevention among population is reflected in the program, as an objective in the framework of broader activities. Public health program approved by the state mitigates the risks of lack of funding. Furthermore, KSCDID strategy identifies a budgetary program, which is expected to be used to fund HIV prevention among key populations6.

1. Analytical note “Opportunities of using social contracts to ensure sustainability of TB-related services in Kazakhstan» Almaty, 2019
2. [www.kncdiz.kz](http://www.kncdiz.kz/)
3. [www.kncdiz.kz](http://www.kncdiz.kz/)
4. Program 053 «Provision of healthcare to population, excluding the items, funded through Single national healthcare system, and development of infrastructure».

Main document, where the state declares its intents, is the Roadmap for implementation of HIV prevention measures in the RK for 2017-2020. This document is drafted in line with the WHO/UNAIDS strategy and is adopted in the form of an Order of the MoH RK. An issue lies in the fact that the documents does not define targets in terms of coverage, nor necessary funding. Given that development of a new Comprehensive plan to counter HIV infection in the RK was initiated, these aspects should be taken into account.

Given that civil society plays an important role in developing priorities of the state, in this analysis, we have considered opportunities for non-governmental sector participation in developing state priorities. In general, we could say with certainty that this area is rather regulated. For instance, a set of regulations has been adopted, which gives the following rights to NGOs:

* + Be members of Public councils/advisory boards at government bodies and participate in drafting proposals to improve legislation7 ;
  + Receive funding from the state in the form of direct or indirect state support;
  + Act as providers of services to population under state order and with state order financing8;
  + Participate in drafting list of topics and projects to be funded by the state through SSO with budgetary funds9.

A particular feature of engaging NGOs in these processes is that for them this is an opportunity rather than mandatory participation requirement. NGOs can decide themselves, based on their interests and capacity, whether they will use these opportunities.

### Conclusions:

Having analyzed regulations, state priority-setting, we can state with a degree of confidence that ensuring sustainability of HIV-related services is one of state priorities. All necessary regulatory conditions are created for civil society institutes to participate in identifying state priorities.

At the same time, to build a reliable system of state funding for services, the following should be taken into account:

џ given general transformation of the healthcare system, it is necessary to stipulate HIV and TB programs as a priority in state healthcare system, to ensure its sustainable funding;

1. online.zakon.kz
2. online.zakon.kz
3. online.zakon.kz
   * to develop a roadmap for implementing measures, aimed at ensuring sustainability of HIV and TB-related services;
   * to include measures, aimed at ensuring sustainability of HIV and TB-related services, into the Comprehensive plan to counter HIV infection in the RK, which is being drafted now;
   * to increase advocacy and organizational capacity of non-government organizations, working in the field of HIV and TB, to ensure their participation in identifying state priorities (on the national and local levels).

## | Regulatory framework

There is a range of regulations in the country, aimed at provision of systemic and standardized care to HIV-infected patients and prevention of infectious diseases. The country has approved the following:

* + HIV diagnostic and treatment protocols for children and adults;
  + Rules for provision of medical and social care to citizens, suffering from socially significant diseases;
  + Rules for operation of confidential counselling centers for PWID and drop-in centers for sex workers and MSM.

The Order “On approval of standard for provision of special social services in healthcare” sets the Standards for social services. Standards are related to healthcare organizations, working on HIV/AIDS prevention. Non-government organizations are not considered healthcare entities. Formally, the standard does not cover this category of potential providers.

It is worth noting that KSCDID is already working on improving standards for provision of HIV-related medical and social services.

Orders of the KSCDID regulate the system of M&E and epidemiological surveillance. There are also regulations, specifying the rules for operation of electronic system for registering HIV cases. Regulatory framework related to countering HIV is most comprehensively represented in a collection, compiled by the KSCDID in 201810.

There are several mechanisms for provision of state funding for HIV prevention, care and support services:



**1**



**2**



**3**



**4**



**5**

State social order

State awards

State grants

Procurement of services through SHIF

State assignment

10. [www.kncdiz.kz](http://www.kncdiz.kz/)

Financial relations of the state with non-government organizations are regulated separately. For instance, the Law of the Republic of Kazakhstan “On state social order, grants and awards for non-government organizations” creates the grounds to use three procedures, identifies specifics for their use and oversight. A range of regulations has been developed to compliment the law:

 Law of the RK “On public procurement”;

Law of the RK “On non-profit organizations”;



Law of the RK “On social associations”;



 Law of the RK “On special social services”;

 Order of the Minister of social development “On approving rules for creating, monitoring and evaluation of SSO”;

 Order of the Minister of social development “On approving the standard of SSO”.

It is important to note that financial relations with NGOs are a priority objective for the state. That is confirmed by the existing broad legislative framework and official communication platforms to discuss the effectiveness of state contracts. Below are some of the declared objectives, which the state plans to regulate in 2020:

* To improve program/budget planning process, engaging civil society organizations to resolve social problems;
* To improve mechanisms of calculating the needs for services;
* To identify and provide details on procurement of services (bidding);
* To develop a system of graded grants, introducing a complex system of differentiating grants and candidates depending on aims, amounts of funding, experience, implementation timeframe and so on;
* To solve cross-sectional objectives and build an effective system of interactions between the state and third sector by introducing the concept and funding through the so-called strategic partnership for NGOs.

Part of NGOs (12 organizations), working in the area of HIV and TB, have experience of implementing projects through SSO, awards or grant funding. However, cooperation with government bodies and implementation of budget-funded projects is not a nation-wide occurrence. Majority of NGOs are regional organizations, providing services on a small territory. Organizations are not spread evenly across the country, there is no correlation between the prevalence of infection or concentration of key populations and number of HIV-service NGOs in the region.

### Conclusions

Current regulatory framework for state funding of HIV and TB-related services (including NGO funding) is rather wide, it covers various aspects and models. However, with the focus on peculiarities of these services, there is a need to pay attention to the following:

* *It is necessary to regulate, under which category the services on prevention among key populations and care and support services will fall.* In the current regulations they are considered as social services, although by their nature they fall under medical rather than social services. They exist in direct correlation to diagnostics and treatment of HIV and co-morbidities. Defining these services as medical and social services, will contribute to their sustainability, because it will give them clear legal description; will leave them under the umbrella of the ministry of health; and will prioritize funding.
* It is necessary to add missing *standards for provision of medical and social services by non-healthcare entities* to the existing regulatory framework: a standard for provision of prevention services to key populations; a standard on provision of care and support services; a standard on provision of medical and social services to TB patients.
* To define the necessary volume of state funding, ***tariffs for medical and social services for HIV and TB*** should be developed and approved*.*
* To regulate *the system for verification of services* taking into account peculiarities of these services and state digitalization processes.
* To develop and approve *a mechanism for transferring various materials for distribution to providers of prevention services* (syringes, condoms, lubricants), procured with government funds.

## | Funding

According to the budgetary system of the RK, funding of socially significant projects can be done both from national budget and local budgets. There is a range of mechanisms for actual allocation of funds for various measures to counter HIV epidemic. According to the Law “On the republican budget for 2019-2021” activities to counter HIV are planned in the national budget and through targeted current transfers from republican budget and local budgets. KZT 12.1 billion (USD 31.6 million) was allocated from the state budget of Kazakhstan to conduct activities for diagnostics and treatment in Centers for AIDS prevention and control.

State social order in the area of healthcare is funded through a separate budgetary program. These costs are included in the program of the Ministry of health of the RK. Two lots of funding were allocated in 2019:

* + “Raising awareness of the population on measures for prevention of HIV and TB to reduce stigma and discrimination, associated with these diseases”.
  + “Activity on disclosing the status of HIV-infected children”.

In terms of funding of the SSO in the country in general, in the last years the expenses increased from KZT 7.4 billion (USD 10.6 million) in 2015 to KZT 20.3 billion (USD 45.7 million) in 2018. Local budgets cover 96.8% of SSO expenses, the rest 3.2% (USD 1.4 million) is covered by the national budget. 5-7% of funding is allocated for healthcare projects.

Allocation of funding in the country corresponds to the declared priority of the state on civil society development. Expenses, allocated for SSO, also increase on regional level.

In the last few years, the RK has been conducting healthcare reform, which entails change of approaches in healthcare funding – health insurance is being introduced. Instead of financing infrastructure of the institutions, procurement of medical services for population will be funded. Therefore, the country has started working on setting the tariffs for medical services, including the HIV. In 2019, KSCDID has developed and approved tariffs for provision of prevention services to key populations in the drop-in centers of AIDS centers. Using the same principle of paying for specific services provided, it would be reasonable to establish a general system of tariffs for medical and social services related to HIV and TB.

### Conclusions

The Republic of Kazakhstan is an upper-middle income country. Funding of HIV and TB-related services is divided between national and local budgets. Amounts of funding through the mechanism of state social order increase year to year.

To ensure sustainability of HIV and TB-related services, the following needs to be resolved:

* The most reliable way of ensuring continuity of medical and social services for HIV is to include them in the list of guaranteed state expenses. In such case, planning and allocation of costs would become a part of state budgeting process and should comply with its norms and procedures.
* To structure the system for provision of medical and social services, by dividing it into guaranteed and extended packages of services. Therefore, there should be a common approach identified to funding prevention, care and support services using budgetary funds, dividing them by sources of funding: guaranteed services from the national budget, and extended package of services from local budgets.
* Regardless of the funding mechanism, there is a need to develop and approve common rules for calculating accurate costs of each service. This would allow identifying the amounts of state funding needed.
* To facilitate training of non-governmental organizations on ways of working with budget funds.

## | Allocation of resources

**Based on the results of the analysis of the legislation of the Republic of Kazakhstan, 5 mechanisms for financing HIV- and TB-related services from the budget were established with the possibility of using NGOs as providers. Three mechanisms are defined by the same Law “On State Order, Grants and Awards for Non-Governmental Organizations of the Republic of Kazakhstan” as the main way of financial interaction between the state and NGOs. The other two were not developed specifically for NGOs but are allowed to be used. Procurement of services through the Social Health Insurance Fund is used for the acquisition of medical care services for the country's population. The fifth way is to receive a state assignment through a single operator.**

**The last two ways of providing HIV-related services make service provision possible not only for non-governmental organizations but also for government agencies or businesses. In case of procurement of services through the SMIF, the legal status of the provider does not matter, what matters is that the provider has a medical license. In the case of a state assignment, the number of suppliers is limited by the requirement of the state on having a significant share of charter capital of the contractor. This gives providers the opportunity to organize the provision of medical and social services within their institutions by involving social workers. In this study, we examine each of these models in detail.**

### 1. State social order

**The state social order is designed exclusively for the non-governmental sector, and is therefore regulated by the law. The SSO is the acquisition by the state of socially significant services from non-governmental organizations through the general procurement procedures for goods and services[[1]](#footnote-1). This type of cooperation between government bodies and NGOs is popular in all regions of the country. As of the end of 2019, the government procurement portal where SSOs are placed, contained information on more than 3 thousand tenders organized according to the SSO procedure[[2]](#footnote-2). Procurement of similar services related to tuberculosis prevention among vulnerable groups, as well as HIV-related services also took place on that portal. This mechanism is in line with the "price-quality" principle. It involves a process of evaluating suppliers and projects before awarding a contract. The evaluation of the SSO projects is carried out according to 8 qualitative indicators, among which are: work experience, project compliance with customer requirements, action plan, etc. A separate criterion is the cost of the project, which is calculated using the notional price method. Bidding is carried out according to the Law of the Republic of Kazakhstan “On Public Procurement”, and payments are made for the services provided.**

**SSO process can be divided into 8 stages:**



**1**

**2**

**3**

**4**

**Collection of information for the situation analysis**

**Situation analysis**

**SSO topics development Tender documentation development**



**5**

**6**

**7**

**8**

**Introduction of SSO topics into the budget application Tender and choice of the supplier**

**Signing of a contract**

**Project implementation and its execution monitoring13**

**Despite the fact that the above-mentioned stages are implemented by the authorities directly responsible for the implementation of the SSO, NGOs should be actively involved in each of the stages. The planning stages are especially important, since it is at this time that decisions are made regarding financing of medical and social services, as well as the real need for the amount of services and finances. In order to do this, the NGOs can take advantage of one of their rights and take part in the discussion of the topics of the SSO lots. At the same time, it should be noted that often NGOs are poorly informed of such an opportunity enshrined by the law, or they do not have time to take part in the discussion due to insufficient capacity of the organization. A needs assessment norm was introduced in 2018; representatives of local public services do not widely use the norm either.**

**Such way of organizing the process involves close cooperation between NGOs and the client. It is advisable to use the SSO in places where organizations already have established communication with the authorities and possess the information necessary to compile the SSO lots.**

**The priorities of local development in general and the implementation of state orders in particular are defined by regional authorities. Each region can form its own funding agenda, therefore, the provision of HIV- and TB-related services can occur unevenly. This is one of the potential threats to failure to meet national HIV and TB epidemic indicators.**

**The tender is held electronically at the public procurement portal, where the tender proposal is submitted. Subsequent implementation of the project takes place in accordance with the terms of an agreement signed between the winner of the tender and the authority that announced it.**

**The state is interested in the development of the SSO as the main type of interaction between the state and NGOs. The work of legislators to improve the mechanism speaks to that effect. On behalf of the Administration of the President of the Republic of Kazakhstan, the Concept of a draft law of the Republic of Kazakhstan “On the state social order” was developed, and it provides for the expansion of this term. Projects related to the health of the nation and the provision of social services should be more stable in order to enable a comprehensive assessment of the results of such programs; they should be medium- and long-term.**

**Outside this area, state financing will be directed towards the implementation of grants on a clearly developed gradation. Experienced organizations that have proven their ability to successfully implement projects will be able to claim more funding.**

13. The manual “Financial mechanisms of interaction between government bodies and non-governmental organizations”, Kazakhstan, 2019

**The proposed system has its strengths, for example, an integrated and thoughtful approach to the distribution of financing. However, the risks are also present: creating stagnation in the market for the provision of services; the dominance of large organizations over small ones; privileges to organizations associated with customers or authorities.**

**With state financing of prevention services, care and support services through the SSO mechanism, other risks are possible:**

* **Continuous extensions of the tender deadline due to the lack of competition and the need to announce tenders once again;**
* **Lack of rules for spending resources, which can significantly affect the quality of services. For example, the budgets do not always support the costs associated with salaries and administration;**
* **Price-dumping during bidding;**
* **Termination of services due to delays in budget financing of customers;**
* **Numerous areas of work of non-governmental organizations that may qualify for a state social order. Other topics may push the direction of HIV-related services off the agenda;**
* **Changing priorities for financing at the local level, which may lead to non-compliance with national indicators.**

### State Award

**It is the least sustainable mechanism to ensure long-term projects. The award is given to organizations as a reward for their achievements. Its main goal is to develop the capacity of NGOs in the country. Having received an award, an NGO cannot qualify for another award for the next three years. Financing which is uncertain in terms of its amount and timing, cannot ensure the continuity of service. In this analysis, we do not consider the award in detail, since this mechanism is conceptually unsuitable for sustainable financing of HIV- and TB-related services.**

### State grant

**This model has its advantages. For example, with this type of financing, the estimated budget provides the opportunity to cover organization’s expenses on the logistics – up to 10% of the total amount. Another positive aspect is the approach to determining the winners – it is based on quality indicators, not taking into account the price offer. It is also worth noting the multidisciplinary composition of the committee that considers all the tender proposals, which includes a high percentage of representatives of the non-governmental sector.**

**Knowing the specifics of the work, they are able to consider competitive offers in a more critical way; in addition, the diverse composition of the commission reduces the corruption risks of suppliers’ selection. Non-commercial joint stock company “Center for the Support of Civil Initiatives” serves as an operator for such financing model. It announces a project competition on the basis of a plan approved at the beginning of the calendar year by an authorized body in the area of interaction with non-governmental organizations. The competitive process consists of 5 stages:**



**1**

**2**

**3**

**4**

**5**

**Grant’s topics plan development**

**Announcement of competition**

**Forming the commission**

**Consideration by “Center for the Support of Civil initiatives”Assessment of bids**

In this system, there is only one operator, whose competence does not include the assessment of the process of providing services for quality. The rules and restrictions of all mechanisms described are presented in the Law “On the State Social Order, Grants and Awards for Non-Governmental Organizations in the Republic of Kazakhstan”. The procedure for preparing documents for participation and examples of bids formation are well presented in the instruction manual on submitting the state social order, grants and awards for nongovernmental organizations in the area of healthcare14.

Analyzing this mechanism, we can confidently say that it is not suitable for sustainable financing of HIV- and TB-related services. At the same time, it can be considered to attract additional funds to NGOs to combat the epidemic.

### Procurement of services through the Social Health Insurance Fund

The purpose of this approach in the area of healthcare is to provide all residents with a guaranteed amount of free medical care that they can receive without financial or other barriers. Health and social services in the area of HIV response should be provided on the same principles: be accessible to all people at all times. Therefore, in this case, we consider prevention, care and support services as part of a guaranteed package of services in healthcare sector. This will ensure sustainability of their financing.

The fund functions as a state insurer, which covers the population’s needs in basic medical services. Now the country's healthcare system is just in transition to a tripartite model of interaction. Citizens receive the necessary medical care provided by hospitals. The fund pays hospitals for these services with budget money.

First, it is the primary medical care that switches to such a financing system in the Republic of Kazakhstan. Its guaranteed package includes medical care for HIV-positive people and the services of drop-in centers.

1. Manual on the provision of the SSO, grants, awards for NGOs in the area of healthcare “Financial mechanisms of interaction between government bodies and nongovernmental organizations”, Kazakhstan, 2019

The provisions of public procurement do not apply to the procurement of the primary medical care services by the Fund. Theoretically, the procurement of medical and social services related to HIV can be made through this operator from healthcare providers. In this case, however, difficulties may arise for NGOs in the role of providers, since according to the rules for the procurement of services15 the provider must be registered in the database of healthcare entities. To obtain such registration, organizations must have a medical license. However, HIV prevention, care and support services for PLH are not considered medical care; their provision does not require a license to conduct medical practice. A possible solution in this situation may be subcontracting from the main contractor (medical organization) to the non-governmental HIV service organization. A primary care provider may subcontract medical and social services.

**Positive aspects of this mechanism include the following:**

* + **the operator comes from the healthcare sector and has the competence to determine the amount of necessary services;**
  + **financing mechanisms are quite universal and allow ensuring the continuity of services;**
  + **the operator has the authority to evaluate and control the services provided;**
  + **due to the full coverage of the population with primary medical care, it is possible to provide services to all who need it;**
  + **Digitalization, which is planned in the primary healthcare system, can help establish a system of M&E of services.**

**To use such a mechanism in practice, its further adaptation is needed: recognition of medical and social services as a separate type of services and the formation of selection criteria for suppliers that do not limit the range of potential providers to medical organizations. As with other mechanisms, tariffs must be calculated as well as the need for coverage**.

### 5. State assignment

In accordance with the Budget Code of the Republic of Kazakhstan, the state assignment is granted to a limited number of institutions, where the state has a stake in charter capital. The assignment is given to projects and services aimed at socio-economic stability and socio-cultural development.

The execution of the state assignment is carried out within the framework of the implementation of the approved republican three-year budget programs by concluding a civil law transaction between the administrator of the republican budget programs and the executor of the state assignment, specifying the indicators of results of the assignment. The state assignment does not involve a competition for suppliers.

15. fms.kz/ru

**In the context of HIV-related services, financing of KSCDID as the main contractor / operator of services is done using this mechanism.**

**To assess the risks and choose the most suitable model, we examined the possible financing models in terms of 7 different aspects, using a 5-point scale of compliance. Thus, 1 corresponds to the least probability / correspondence, 5 - to the greatest**:

***Criterion***

***Table 1. Assessment of mechanisms to finance services***

***Mechanisms***

***SSO State grant State award SHIF procurement State assignment***

**Alignment with the healthcare reform 2 1 5 4**

**and with trends in public**

**governance**

**Possibility to finance 4 2 1 5 5**

**a package of services**

**within the model**

**A practical way for the**

**operator to control/**

**manage quality of services**

**provided in course of their**

**implementation**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Stability/sustainability  of financing | **3** |  |  | **3** |  |  | **5** |  |  | **5** |  | |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Opportunity for an NGO to participate as a provider | **4** |  |  | **5** |  |  | **3** |  |  | **2** |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Threshold to participate in a tender | **4** |  |  | **4** |  |  | **3** |  |  | **5** |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
| Possibility to provide continuity of services | **4** |  |  | **3** |  |  | **5** |  |  | **5** |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Клиент-ориентированность | **3** |  |  | **4** |  |  | **5** |  |  | **4** |  |  |

**1**

**5**

**1**

**2**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Client orientation (low threshold of services)** | **4** | | | | | |
| **Total score** | **29** | **25** | **16** | **36** | **35** |  |

**In this table we systematically organized information on the functioning of each of the mechanisms in existing conditions. It clearly demonstrates the benefits and challenges of each mechanism. To sum up, we can draw the following conclusions:**

* **Despite the variety of mechanisms, none of them in their current form is able to ensure the sustainability of HIV- and TB-related services. Each of them requires improvement and adaptation, taking into account the specifics of services.**
* **The state social order, previously considered by the state as the main mechanism for ensuring the sustainability of HIV- and TB-related services, does not comply with the key principles of sustainability – continuity, sustainability of funding, universal coverage, quality control. Given this, it is necessary to consider additional measures to improve this mechanism or develop a new one.**
* **To ensure the sustainability of HIV- and TB-related services, it is worth considering the possibility of integrating HIV- and TB-related services into the list of guaranteed amount of free medical care for the population, thus establishing a single operator for financing and control of performance, the social health insurance fund.**
* **The mechanism of state social order should be considered as a priority for the provision of an expanded package of services, local authorities being the operators of such a mechanism.**
* **It is necessary to introduce regulatory changes in the state social order as a priority mechanism for providing an expanded package of services, with the local authorities being the operator of such a mechanism. At the same time, it is important to take into account the need to introduce mechanisms to coordinate from the republican level the process of providing services, the content of services, and their coverage**.

## 5. | Provision of services

In this section, we will consider practical issues, which arise in the process of providing HIV-related services.

One of the primary issues is stigma and discrimination, which is still widespread in the country. According to the UNAIDS report 16 , one in four HIV-positive persons in the RK is subjected to discrimination by healthcare workers. In the context of prevention, as well and care and support services, this problem should be taken into account, when selecting main service providers. Therefore, engagement of NGOs should be considered as main service providers, to ensure more effective program implementation. They have several advantages compared to healthcare entities:

**01**

џ access to key populations and established communication with them;

1. [www.unaids.org](http://www.unaids.org/)
   * No red-tape;
   * Provision of peer services, which would eliminate any conditions for stigma or discrimination;
   * More flexible schedule of social and outreach workers, work in the field, which allows the population getting required help, when they need it.

Maintaining confidentiality and general rights of the citizens is another important

**02**

component in organizing HIV-related services. Legislative framework of the RK eliminates majority of legal barriers. For instance, the Code of the RK “On health of the population and healthcare system” provides state guarantees for HIV prevention, diagnostic and

treatment, and establishes basic principle of social protection of people, living with HIV.17 Provisions of the Code in general correspond to the global trends and comply with UNAIDS recommendations.

In practice, there are some incompliances in the area of confidentiality of services. For instance, a need to show ID to get test results and get registered in the disease register18 . Anonymous testing is possible, but in case of positive test result, an ID is required.

There is a flip side for such low threshold to receive a service – low threshold does not require identification of beneficiaries, and the state cannot check, whether the services it pays for are really provided to the population. A robust M&E system could resolve this issue, maintaining the balance between confidentiality and anonymity for clients and verification of service provision. Additionally, M&E for each individual funding mechanism should be taken into account.

**03**

Another issue that could affect the quality of service provision, can be the quality of consumables. One of service organizations in focus groups came to a conclusion that low-quality consumables are used for prevention. AIDS centers procure consumables in the framework of the Global Fund project, and then transfer them to NGOs. With this model, consumables are procured with budget funds by several customers, and it becomes more difficult to control their quality. One of possible solutions of this problem is to introduce centralized procurement of consumables and their transfer to service providers. This will also give an opportunity to move away from price as an indicator, and introduce price vs. quality principle for procurement of consumables.

**04**

1. ecuo.org
2. tengrinews.kz

In summary, we can state with confidence that there are no significant barriers or issues in organizing HIV- and TB-related service provision in the Republic of Kazakhstan. Gaps should be eliminated in such issues as provision of consumables and equal access to services. Issue of overcoming stigma and discrimination of HIV-positive population and key populations requires long-term systemic work, which is being conducted in the country. In this regard, social contracts for NGOs will become an additional way to resolve this issue.

## 6. | Role of non-government sector

Operation of the non-government sector is an important factor for development of any democratic society. Civil society organizations bring together population on the basis of common interests, and advocacy of these interests can lead to development of new beliefs and values in the country. Part of non-government organizations are service organizations. They provide social services to their target groups. Economically developed countries use this NGO function to rationalize its policy by procuring services from NGOs, which the population needs. This practice is successful, because NGOs are more agile in their administrative activities, are better informed about the needs of target groups, and are more beneficial to the state as providers than maintaining a dedicated state infrastructure.

Over the last few years, the RK has approved and implemented a range of mechanisms for financial relations between the state and NGOs. As a result, amounts of funding, allocated from the budget, have increased. For instance, from the national budget alone, the NGOs have received KZT 17.4 billion (USD 45.5 million) through SSO in 2019, another KZT 16.9 billion (USD 2.6 million) were allocated from local budgets. Grants were allocated to NGOs for a total amount of KZT 1 billion (USD 2.6 million) in one year. It should be noted that this amount also includes 3-year projects.

In 2021, the Government of the RK also plans to adopt a new concept for civil society development for the next 5 years. Furthermore, the strategy also envisages transfer of state functions to increase the quality of services, provided by the NGOs.

To measure the readiness of service NGOs to social contracts with the state, the following methods were used: interview with top managers of NGOs and online survey of organizations. The questionnaires were sent to NGOs, which work on providing care and support services, as well as HIV prevention services. Processed questionnaires allow to identify national trends in the non-government sector; 67% of questionnaires were analyzed.

During the survey, 4 categories of questions were presented to organizations:

general information about activities;



**1**

awareness of the mechanisms of financial partnership with the state;



**2**

organizational readiness of NGOs to social contracts;

assessment of the readiness of the state to social contracting.



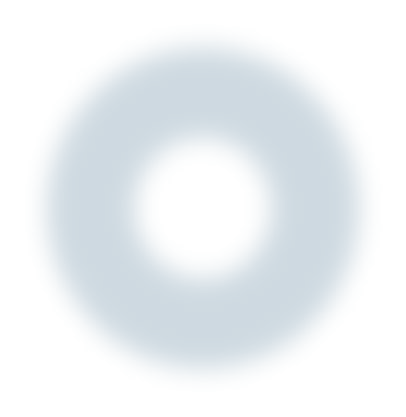
**3**



**4**

Majority of organizations work in two or more directions simultaneously, providing prevention, care and support services. 7 of the surveyed NGOs work only with one key population. Two or more potential service providers were identified in each of directions, offered in the survey. All key populations can be covered upon selection of providers through public procurement or competitions. We have also identified a number of organizations, which try to change the list of key populations they work with (expand or narrow it down), but this will not have an overall effect on situation in the country.

In terms of awareness, half of NGOs surveyed, have sufficient information about changing approaches to providing HIV-related services in the RK. 55% of organizations already had attempted provision of services with budgetary funding. These contracts were signed through SSO or state grant mechanisms. Second half of respondents need information about transformation processes in service provision system. These are mostly NGOs, which provide city-level services.



**40%**

**10%**

**50%**

Are you aware of changes to ensuring HIV-related service provision in the RK?

Yes, rather well aware

Yes, but we need more information about current changes

No, but we plan to learn about it

Organizations have various degrees of knowledge of means of social contracting, developed by the state exclusively for NGOs. The most well-known mechanism for organizations is SSO, 65% of respondents know its procedures and participation requirements. The least known is the state award to NGOs – 40% of respondents are quite familiar with it, but 10% have indicated that they are not aware of such instrument.

Most suitable financing model for organizing a sustainable system of HIV service provision is the state grant. This is opinion of 65% of respondent organizations.

In your opinion, which funding mechanism for HIV-related services is the most sustainable?

10

State social order

### 2

Participation in public procurement

### 4

State award for NGOs

### 13

State grant

Among the arguments for preferring grants to other mechanisms, NGOs mention less red-tape and opportunity for institutional development of organization in the framework of such activities. Organizations, which prefer SSO as funding instrument, consider it to be simple and more familiar to NGOs, they also emphasize the opportunity to cover wide geographical locations with services. Analysis of responses to this question implies that there is a need to raise awareness of organizations about all possible funding mechanisms. This will help NGOs in forming a more objective opinion and identify ways to participate.

Majority of respondents think that their organizations are ready for financial partnership with the state.

How well is your organization prepared to partnership with the state?

fully prepared and comply with requirements for working with state funds

there are minor incompliances, but we will quickly eliminate them

on average, half ready

 we have not asked ourselves this question yet, have not assessed compliance

17 1 1 1

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | | | |  |  |  |
|  | Charter documents  11 4 2 3 | | | | | | | |
|  |  | |  | |  |  | | |
|  | Staff | 14 |  |  | 3 | 1 2 | | |
|  |  | | |  | |  | | |
|  | Financial  14 | | |  | 3 | 3 | | |
|  |  | | |  | |  | | |

System for administration and M&E

According to the chart, NGOs are most concerned about the issues related to human resources and M&E system. In addition to self-assessment of organizations, objective barriers were seen in 15% of the cases, which can prevent organizations from receiving SSO or grants. These issues may include work experience of less than two years or absence of information about an NGO in the database of the RK. Organizations see mostly financial obstacles in moving to social contracting. Main issues will include wages of social workers; funding advocacy work and organizational development; expenses needed to be able to participate in SSO or state grant competitions, and logistics costs.

Furthermore, there are procedural issues, in particular, scope of work (technical specification is prepared by program administrators for 9-10 months). However, the process of selecting provider often takes 2 to 6 months, and the scope of work is not revised. Therefore, NGOs have to perform large scope of work in a brief time period (2-3 months).

There are also concerns about the way lots are formed, and taking into account the needs of all key populations, which might be related to insufficient awareness of both NGOs and program administrator about opportunities for cooperation. Local executive bodies create the lots on the local level. Therefore, organizations need to be proactive and join authorities in developing mechanisms for social contracting at that stage. Initiative of an NGO can become

a key factor in building a system for service provision on local levels. An issue of equal importance is pricing of various services and identifying expected cost of the lots.

As for the readiness of the state, no NGO thinks that the state is fully ready to ensure sustainability of HIV-related services with budgetary resources, and only 25% assess the readiness as above average. In turn, NGOs providing HIV-related services are insufficiently engaged in developing policies and procedures to ensure sustainable funding. Only one of surveyed NGOs participates in developing models for financing services with state funds.

All respondents mentioned the need for additional training on several topics. Most relevant are the issues of strategic planning, improving business processes and financial sustainability of NGOs, as well as training in methods and means of contracting and participation in bidding.

Training on methods and means of contracting, participation in bidding etc.

Training on building organizational capacity of NGO

Training on regulation of NGO activities

Training on strategic planning, improvement of business processes and financial sustainability of NGO

Which explanatory materials would be useful to you in preparing your NGO to obtaining state funding?

13

### 9

9

### 13

10

Technical instructions for training purposes about processes and stages of competitions

In summary, we can note that NGOs, providing HIV-related services, are interested in implementation of measures, aimed at ensuring service sustainability, but not all of them have sufficient information about the process and its components. Main conclusion that we have drawn as a result of the NGO survey is the need to increase access to information among organizations, and to facilitate a reliable system for technical support, which would lead to more active operation and cooperation in coming up with a common position in the sector.

# CONCLUSIONS

Dimensions of state policy of the Republic of Kazakhstan correspond to modern challenges and are reflected in improvements of regulation on various matters.

Currently the state has already reached some successes in countering HIV epidemic and now continues active work to maintain these results. An aspect of utmost importance in maintaining the achievements is ensuring sustainability of HIV-related services. Our analysis gives a clear understanding that ensuring sustainability of services is a priority for the RK. This is evidenced by the following:

* amounts of funding for services through mechanisms of state social order increase year to year;
* the state has a range of mechanisms, which regulate financial partnership of NGOs with government bodies;
* all necessary regulatory conditions have been created for civil society institutes to participate in identification of state priorities;
* current regulatory framework, governing the state funding of HIV and TB-related services is rather broad, it covers various aspects and models;
* the state is interested in improving regulation and further planning of measures to ensure sustainability of HIV and TB-related services.

At the same time, there is a number of systemic problems in setting state priorities, regulation, funding, resource allocation mechanisms, and service provision. Elimination of such problems will help the country in achieving significant progress in ensuring sustainable funding of HIV and TB-related services with state funds in a brief timeframe, and the country could become a leader in the EECA region, with others using its experience.

PROPOSALS AND RECOMMENDATIONS

##### Proposal 1. To ensure prioritization of HIV prevention and care and support programs in state healthcare system to achieve sustainable funding:

* to develop a common roadmap of activities, aimed at ensuring sustainable state funding of HIV-related services;
* to include necessary activities on ensuring sustainable funding into Comprehensive plan for countering HIV infection in the RK;
* to structure the system for medical and social services provision, by dividing a total pool into guaranteed and extended packages of services, which will make it possible to divide the funding between various levels of the budget. for instance, guaranteed services, which might include care and support, as well as evidence-based prevention, can be funded through national budget. Extended package of services, which might include social support, social adaptation, and psychological services, can be supported by local executive bodies in the framework of the SSO.

##### Proposal 2. To improve regulatory framework to eliminate existing gaps:

* to accelerate approval of the order “On approval of Standard for organization of medical and social care for HIV infection in the Republic of Kazakhstan” and its registration;
* to develop common tariffs for prevention, care and support services for all key populations, taking into account all costs, necessary to provide the services and achieve coverage indicators (administrative costs of service providers, programming costs, cost of consumables);
* to develop and approve mechanisms (principles) for identifying service needs, taking into account various mechanisms and levels of funding;
* to develop and implement a monitoring and evaluation mechanism for quality of medical and social services, taking into account development and introduction of state information systems.

##### Proposal 3. To ensure sustainable funding for prevention, care and support services with state funds:

* to calculate the need for services from guaranteed and extended packages; based on the established tariffs to identify the necessary amount of funding;
* to consider an opportunity of including guaranteed package of medical and social services into guaranteed care for population, hence identifying a single operator for funding and oversight, namely the fund for social medical insurance;
* to consider state social order as a priority mechanism for providing extended package of services, with operators being the local executive bodies;
* to introduce necessary regulatory changes to state social order as a priority mechanism for providing extended package of services, with operators being the local executive bodies; at the same time, take into account the need to introduce mechanisms, which would allow central-level coordination of service provision processes, contents of services and coverage;
* to ensure guaranteed expenses for provision of medical and social services from extended package in regional budget programs, aimed at implementing state social order.

##### Proposal 4. To build organizational capacity of NGOs, working on HIV and TB issues:

* to facilitate participation of HIV service organizations in the work of public councils/advisory boards under sectoral government bodies to identify priorities for state social order;
* to identify a centralized system, which would oversee capacity building of NGOs, who are service providers;
* to facilitate training of non-government organizations on matters of working with state funds, strategic planning, financial sustainability, social contracting and advocacy.

##### Proposal 5. To join activities on ensuring sustainability of HIV-related services with activities on ensuring sustainability of TB service:

* to synchronize all planning activities, aimed at ensuring sustainability of HIV and TB-related services, draft a common plan and roadmap.

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