

Briefing paper | March 2018

# The Missing Millions: Stopping and Reversing the Steady Erosion of Federal HIV Funding

In recent years, the Government of Canada has renewed a commitment to ongoing dialogue and constructive engagement with civil society in the response to HIV, hepatitis C virus (HCV) and other sexually transmitted and blood-borne infections (STBBIs). In response to calls from national HIV organizations, the federal government—in collaboration with provincial and territorial governments, researchers and community organizations—is developing a new, updated “national framework” to guide Canada’s response to HIV and other STBBIs, and, as part of that larger framework, an updated action plan for the federal government.

But the commitment to fund that made-in-Canada strategy is missing. In fact, to date there has been no commitment even to simply reverse the chronic underfunding of the HIV response that has dragged on for more than a decade.

In the 12 years since the 2004 launch of the current federal AIDS strategy, more than \$104 million that was committed to this strategy has been diverted or withheld. It’s well past time to restore the missing millions.

## The commitment to fund the HIV response in Canada

In 2003, after extensive study, the House of Commons Standing Committee on Health recommended that federal funding to respond to the ongoing crisis of HIV and AIDS should be increased to \$85 million per year. This recommendation was unanimous, supported by *all* parties.<sup>1</sup>

In response, in 2004 the government of the day launched the *Federal Initiative to Address HIV/AIDS in Canada*. It committed to gradually double annual funding for this new federal AIDS strategy over five years, from \$42.2 annually in fiscal year (FY) 2003-04 (where it had been frozen for many years) to \$84.4 million annually by FY 2008-09 — with annual funding to continue at that new level in subsequent fiscal years. As laid out in the Federal Initiative, this increase was to occur as follows<sup>2</sup>:

Fiscal Year	Funding Commitment
2004-05	\$47.2 million
2005-06	\$55.2 million
2006-07	\$63.2 million
2007-08	\$71.2 million
2008-09 and beyond	\$84.4 million

## Commitment compromised

**But the promised increase in HIV funding was almost instantly derailed.** As the Public Health Agency of Canada (PHAC) has acknowledged: “The original \$84.4 million commitment was affected by reductions announced in Budget 2005 as well as time-limited re-allocations to the Canadian HIV Vaccine Initiative.”<sup>3</sup> In FY 2005-06, the first year following the launch of the new strategy and funding commitment, already hundreds of thousands of dollars were cut from the federal government’s HIV strategy—a scenario of cuts in spending that has been repeated every single year since.

The situation worsened further in FY 2007-08, as a result of two further developments:

- The government of the day decided to abandon the commitment to gradually increase funding for the Federal Initiative (to the target of \$84.4 million per year by FY 2008-09), and instead froze funding at a notional level of approximately \$72.6 million annually.<sup>4</sup> But in almost every year since, even that reduced level of funding has not been delivered.
- The government also confirmed that it would reallocate a total of \$26 million over five years out of the Federal Initiative to the new Canadian HIV Vaccine Initiative (CHVI). (In 2012, after the first five years, the CHVI was extended for a further five years.) The CHVI ended in March 2017. Yet, more than a year later, the funds that were being diverted each year to the CHVI still have not been restored to the Federal Initiative, despite repeated calls to do so.<sup>5</sup>

As a result of these developments, and ongoing under-spending in most subsequent years, **the Public Health Agency of Canada’s own data confirm that in the 12 years since the Federal Initiative was launched, more than \$104 million dollars in funds committed to the federal HIV strategy has been lost.** The loss in each year, as well as the cumulative loss of funding, is set out in the table on the following page.

There is little hope of realizing the ambitious, agreed-upon goals for HIV prevention and treatment without adequately funding the response to HIV—including the community-based organizations that are essential to that response.

Given the substantial loss, through steady erosion, of federal funds ostensibly committed to the HIV response, it is unacceptable that numerous services and organizations across the country will be forced to close or discontinue programs in a matter of months despite the clear need that exists.

It is disturbing that, even as funds supposedly dedicated to the HIV response went unspent for years, now organizations providing critical services are being defunded.

**Cumulative net loss of funding from  
the Federal Initiative to Address  
HIV/AIDS in Canada  
(FY 2004-05 to FY 2015-16)**

Fiscal Year	Planned Spending		Actual Spending	Gain (+) or loss (-) of federal funds for HIV response
	<i>Per original Federal Initiative commitment<sup>1</sup></i>			
2004-05	\$47.2 M		\$47,273,020 <sup>2</sup>	+ \$73,020
2005-06	\$55.2 M		\$54,829,030 <sup>7,8</sup>	- \$370,970
2006-07	\$63.2 M	<i>after (i) funding freeze and (ii) reallocations to CHVI</i>	\$63,132,900 <sup>7</sup>	- \$67,100
2007-08	\$71.2 M	\$60.93 M <sup>3</sup>	\$61.0 M <sup>4</sup>	- \$10,200,000
2008-09	\$84.4 M	\$73,903,572 <sup>3</sup>	\$69,244,263 <sup>3</sup>	- \$15,155,737
2009-10	\$84.4 M	\$71,171,229 <sup>3</sup>	\$68,864,704 <sup>3</sup>	- \$15,535,296
2010-11	\$84.4 M	\$72,774,385 <sup>3</sup>	\$70,340,098 <sup>3</sup>	- \$14,059,902
2011-12	\$84.4 M	\$73,658,271 <sup>3</sup>	\$72,936,468 <sup>3</sup>	- \$11,463,532
2012-13	\$84.4 M	\$76,098,412 <sup>3</sup>	\$72,438,512 <sup>3</sup>	- \$11,961,488
2013-14	\$84.4 M	\$72.3 M <sup>5</sup>	\$73.0 M <sup>10</sup>	- \$11,400,000
2014-15	\$84.4 M	\$70,455,059 <sup>6</sup>	\$70,551,936 <sup>11</sup>	- \$13,848,064
2015-16	\$84.4 M	\$70,505,687 <sup>7</sup>	\$70,200,939 <sup>12</sup>	- \$304,748
<b>CUMULATIVE NET LOSS OF FUNDING FROM FEDERAL INITIATIVE</b>				<b>- \$104,293,817</b>

Complete data on both planned and actual spending is currently only available up to FY 2015-16. However, the situation over the last two years does not inspire confidence that this pattern of steady losses in HIV funding is yet over. For each of FY 2016-17 and FY 2017-18, PHAC has again declared that it plans to spend \$72.6 million in each year.<sup>13</sup> But it has pledged this before, and the 12-year history of missing funding raises serious questions as to whether this funding will actually materialize.

For years, national HIV organizations and others working in the HIV response in Canada have underscored to both Health Canada and the Public Health Agency of Canada — and to successive Ministers of Health — that community support for “integrating” the HIV response with efforts to address HCV and other STBBIs is contingent upon safeguarding the response to HIV (including funding support for community-based organizations that are central to an effective response).

Assurances were repeatedly given by Health Canada and PHAC that “integration” would not erode the response to HIV. Yet these assurances have so far proven worthless. The data shown above illustrates the steady erosion year after year of the HIV response—and this appears likely to continue into the foreseeable future unless the government changes course and recommits to adequate funding.

## Commitment to HIV response still missing

In correspondence from March 2018, Prime Minister Trudeau stated that the Government of Canada “will be investing \$84 million across the country to help tackle sexually transmitted and blood-borne illnesses.”<sup>14</sup> However, he did not address the chronic underfunding of the federal HIV strategy, a fact that has been highlighted repeatedly since the current government was first elected in 2015.

### Here’s why we continue to be concerned:

- Despite repeated requests, no information yet provided by the government indicates the basis for this figure of \$84 million; it is simply asserted.
- There is no indication of a time frame for this investment of \$84 million. Is this an annual figure — and if so, for which year? Is it to continue beyond a given year? Or is this lump sum to be spread out over a number of years?
- Finally, it is essential to note that this is stated to be \$84 million for “sexually transmitted and blood-borne illnesses.” As already noted, the original commitment — almost immediately compromised — was to invest \$84.4 million per year for the federal response *to HIV and AIDS*. Now it seems that even less than that is being promised, and furthermore, the funding is not dedicated to addressing the ongoing HIV epidemic, but is meant to cover all sexually transmitted and blood-borne infections. **This is precisely the erosion of the HIV response that we have been cautioning against from the outset.**

## Pledging to meet global targets, but failing to fund the response

**Canada has signed on to UNAIDS’ targets for HIV prevention and treatment**, which are aimed at achieving the ultimate goals of zero new infections, zero deaths from AIDS, and zero stigma related to HIV, and to achieving the Sustainable Development Goal of ending AIDS by 2030.<sup>15</sup> These include the “90-90-90” goals of ensuring that 90% of people living with HIV are diagnosed, 90% of those diagnosed receive effective antiretroviral treatment, and 90% of those on treatment achieve full suppression of their virus (which not only protects their health against HIV disease progression but also reduces the risk of sexual transmission to partners to effectively zero).

**Yet there is little hope of realizing such ambitious goals without adequately funding the response to HIV—including the community-based organizations that are essential to that response.** World Bank studies support increased investment in precisely such a community response, showing that the strength and reach of community-based organizations is directly correlated with increases in HIV treatment access, use of prevention services and consistent condom use.<sup>16</sup> UNAIDS estimates that resources for community mobilization will need to increase three-fold from 2016 to 2020, with further increases required from 2021 to 2030, in order to achieve the Sustainable Development Goal to which Canada and all other countries have committed.<sup>17</sup>

Given the substantial loss, through steady erosion, of the federal funds ostensibly committed to the HIV response, **it is unacceptable that numerous services and organizations across the country will be forced to close or discontinue programs in a matter of months despite the clear need that exists.** It is disturbing that, even as funds supposedly dedicated to the HIV response went unspent for years, now organizations providing critical services are being defunded.

The federal government must secure the restoration of the diverted and lapsed resources needed to address the gaps in Canada's HIV response.

## **HIV is not over. Restore the missing millions.**

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## Endnotes

<sup>1</sup> In fact, all parties but one recommended that funding should increase to \$100 million per year. See: Standing Committee on Health, *Strengthening the Canadian Strategy on HIV/AIDS* (June 2003).

<sup>2</sup> Government of Canada, *Federal Initiative to Address HIV/AIDS in Canada* (2004), p. 9. We note with concern that the online version of this publication on the PHAC website appears to have had the funding commitments removed at some point. However, the original publication is available in full (in PDF format) online at <http://librarypdf.catie.ca/PDF/P18/21731e.pdf>.

<sup>3</sup> Health Canada and Public Health Agency of Canada, *Evaluation of the Federal Initiative to Address HIV/AIDS in Canada 2008-09 to 2012-13, Appendix 2: Federal Initiative Allocation and Expenditures, 2008-09 to 2012-13* (January 2014).

<sup>4</sup> This figure is the one given by Health Canada and PHAC in its *Evaluation of the Federal Initiative to Address HIV/AIDS in Canada 2008-09 to 2012-13* (January 2014). It has also been reiterated by PHAC in its presentations: e.g., Health Canada and Public Health Agency of Canada, “Evaluation of the Federal Initiative to Address HIV/AIDS in Canada: Key Stakeholders’ Briefing,” June 3, 2014 (Presented by Shelley Borys, Director General, Evaluation Directorate), slide deck on file (see “Annex: History of the Federal AIDS Response,” slide 11).

<sup>5</sup> This decision by the government of the day in FY 2007-08 to divert funds from the Federal Initiative to the *new* CHVI was protested by the national HIV organizations (commonly known as the “National Partners”) and numerous other community-based organizations in the HIV sector. As communicated both verbally and in formal correspondence to the Health Minister, the National Partners were supportive of Canada’s decision to invest in HIV vaccine research but, consistent with the earlier recommendations of the majority of the House of Commons Standing on Health, called for this to take the form of new investments in the HIV response, rather than coming at the expense of existing, needed services. Members of the Canadian Association for HIV Research (CAHR), including researchers benefitting from funding available through the CHVI, also adopted, at their 2008 AGM, a motion to this effect, calling for a restoration of funds to the Federal Initiative to preserve the funding available via the Federal Initiative for both community-based programs and research initiatives via the Canadian Institutes for Health Research.

<sup>6</sup> Government of Canada, *Federal Initiative to Address HIV/AIDS in Canada* (2004), p. 9.

<sup>7</sup> *Federal Initiative to Address HIV/AIDS in Canada Implementation Evaluation Report* (2004-2007), [Annex I-4 - Federal Initiative Allocations by Areas of Action](#) (2009).

<sup>8</sup> This figure (of \$60.93M) represents the planned Federal Initiative amount in FY 2007/08 of \$71.2M (as previously committed), minus the \$10.27M that PHAC identified in December 2007 as the summary of “known” amounts for FY 2007-08 either being reallocated from the FI to CHVI (\$3.7M) or simply cut entirely from the FI (\$6.57M, with cuts to both Grants & Contributions and Operations & Management). This information was presented by PHAC officials, including the Chief Public Health Officer, in person to national HIV/AIDS organizations at a meeting in Ottawa on December 6, 2007: Public Health Agency of Canada, “Federal Initiative to Address HIV/AIDS in Canada Funding and the Canadian HIV Vaccine Initiative: Presentation to National HIV/AIDS Non-Governmental Organizations,” December 6, 2007 (slide deck on file, slides 11 and 13). As reported at the end of FY 2007-08, the actual spending was very close to this revised figure for planned expenditures in the year.

<sup>9</sup> Public Health Agency of Canada, *2007-08 Departmental Performance Report: Supplementary Information*.

<sup>10</sup> Public Health Agency of Canada, *2013-14 Departmental Performance Report: Supplementary Information*, pp. 27-35.

<sup>11</sup> Public Health Agency of Canada, *2014-15 Departmental Performance Report: Supplementary Information Tables*.

<sup>12</sup> Public Health Agency of Canada, *2015-16 Departmental Performance Report: Supplementary Information Tables*.

<sup>13</sup> Public Health Agency of Canada, *The Federal Initiative to Address HIV/AIDS in Canada: Plans, Spending and Results – 2016-17; The Federal Initiative to Address HIV/AIDS in Canada: Plans, Spending and Results – 2017-18*.

<sup>14</sup> Letter from Prime Minister Justin Trudeau to Richard Elliott, Executive Director, Canadian HIV/AIDS Legal Network, dated March 5, 2018, on file.

<sup>15</sup> UN General Assembly, *Transforming our world: the 2030 Agenda for Sustainable Development*, UNGA Resolution A/RES/70/1 (October 2015), Sustainable Goal 3 – online at <https://sustainabledevelopment.un.org/sdgs>.

<sup>16</sup> Rodriguez-García R et al, “Evaluation of the community response to HIV and AIDS: learning from a portfolio approach,” *AIDS Care* 2013;25 Suppl 1: S7-19, online: <https://doi.org/10.1080/09540121.2013.764395>.

<sup>17</sup> UNAIDS, *Follow-Up to the Thematic Segment from the 38th Programme Coordinating Board meeting: “The role of communities in ending AIDS by 2030,”* Doc. UNAIDS/PCB(39)/16.19 (4 November 2016), online: [http://www.unaids.org/en/resources/documents/2016/PCB39-FollowupThematch\\_16.19](http://www.unaids.org/en/resources/documents/2016/PCB39-FollowupThematch_16.19).