

## **Experience in Implementing Flexible Funding Mechanisms Supporting the HIV/AIDS Response in Xinjiang Uyghur Autonomous Region, Northwest China**

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### **Abstract:**

This paper examines the implementation of a small grants facility in the Xinjiang Uyghur Autonomous Region (XUAR) of north west China. The funding mechanism is specifically targeted to build a range of interventions in multiple settings through the engagement of leaders and multi-sectoral agencies. The approach is highly flexible in a dynamic policy environment, it is linked to the government systems within XUAR and provides opportunities for multi-sectoral agencies to build capacity through implementation experience. The implementation of a range of subprojects has built a multi-faceted response to HIV/AIDS in XUAR and has provided opportunities for contextually relevant awareness raising; interaction between implementers; experience sharing; and, identification of strategic gaps in the response. The funding facility has also demonstrated how integrating a range of interventions such as awareness raising for leaders and communities with service delivery increases the relevance of the information used to raise awareness in that leaders and communities alike are able to participate in service delivery as an outcome. This funding facility differs in several key ways from other funding mechanisms being utilized in XUAR. These differences are that implementation of the fund is managed through the multi-sectoral agencies. The agencies involved have defined the investment strategy for the use of the fund. In addition, the agencies are supported directly by the fund and each agency has been able to define, plan and manage their projects. Issues management is undertaken by the agency with support and technical assistance provided by the China-Australia Xinjiang HIV/AIDS Prevention and Care Project (XJHAPAC).

### **Introduction:**

HIV/AIDS in the Xinjiang Uyghur Autonomous Region (XUAR) is a significant, economic, social and public health issue (Ministry of Health, PRC and UNAIDS 2004,2005) and has required the development of responses from multi-sectoral agencies working with constituencies in the health system and the community. To enhance multi-sectoral agency capacity building and engagement in the response; community involvement; and, development of low cost interventions to encourage sustainable action flexible funding mechanisms have been trialed in Xinjiang.

This funding mechanism is called the Activity Support Facility (ASF) and is administered through the Xinjiang HIV/AIDS Prevention and Care Project (XJHAPAC). The ASF is a small grants facility built on a partnership approach with clear expectations in relation to planning, technical and expenditure guidelines. Adherence to the guidelines is managed rigorously and implementers are trained in the application of the guidelines in the first months of funding. ASF projects are bilaterally funded with cash contributions

coming from the Government of Australia and cash and in-kind contributions from the agencies. Quality is managed through the definition of goals and objectives for each project and the collection of information to contribute to the on-going management of the projects is reported on a quarterly basis. On-site evaluations of progress are also undertaken. These evaluations provide an opportunity for the agency to discuss their progress, issues and technical assistance needs. Early identification of issues and timely management is fundamental to the process.

The XJHAPAC began operation in March 2002 (Wheeler, Ni and Chen 2004). The project is a bilateral project jointly funded by the Government of Australia and the Government of the People's Republic of China. The purpose of the Project is to support the Government of the XUAR to reduce the transmission of HIV/AIDS. The Project provides technical assistance and financial support to multi-sectoral agencies in responding to HIV/AIDS. The ASF represents around 60% of the in-country spending (\$5.1 million Australian Dollars). Funds are allocated based on endorsement of proposals by multi-sectoral agencies<sup>1</sup> with participants being operational management level from all the key multi-sectoral agencies. The ASF projects are managed by the responsible agency with support from the XJHAPAC management team. The first projects began at the end of 2003.

### **The Flexible Funding Mechanism:**

Based on an agreed investment strategy, priority was given to the development of projects managed by regional level agencies. The aim of these projects was to build capacity within the multi-sectoral agencies to support the development of low cost interventions that could then be scaled up by the local branches of these agencies working directly with the constituency. The issues to be addressed were defined by the agencies and technical support is provided on an on-going basis to agencies to design and enhance their activities to respond to the issues identified.

Projects are now being developed at the Prefecture and City levels. These projects will see a scaling up of the piloted low cost interventions adapted to the local circumstances. There is a mix of health and non-health agencies involved with implementation and so the scope of capacity building has been much enhanced with cross-sectoral sharing of information and provision of technical assistance.

Cascade type training development approaches are utilized to enable leadership awareness raising to the issue of HIV/AIDS; their commitment and capacity building; and funding is applied to ensuring that technical and management assistance is provided to all levels. The key feature of the ASF is that training, awareness raising and social mobilization are directed by the nature of the desired outcome and funding supports this. That is, training and capacity building are not used as tools to achieve presumptive outcomes rather to enhance service delivery, projects are designed to ensure that the target groups are supported in receiving services.

For example the development of Needle and Syringe Programs funded through the ASF supports capacity building, training at all levels and activities which in turn support social mobilization. Social mobilization enhances a supportive environment within which services are delivered to IDUs.

### **Our Findings:**

### *Policy Environment:*

XJHAPAC is aligned with the policy environment through the original design and the flexible implementation strategy. Since 2002 (Xinjiang Uyghur Autonomous Regional Government 2002) there have been significant changes in the policy environment that has enabled multisectoral agencies to respond to HIV/AIDS. High level policy initiatives are driven from the central level (Beijing) in China. In August 2003 the national action plan for the response to HIV/AIDS was disseminated and from this document action plans were developed in the autonomous regions and provinces and the policy and action plans guide the XUAR HIV/AIDS response. This national documentation was specific in supporting community interventions such as harm reduction for injecting drug users and commercial sex workers, care in the community and multi-sectoral and international co-operation.

This environment has also enabled the introduction of many other nationally and internationally funded projects in XUAR. In addition to XJHAPAC and World Bank Health IX other projects include China CARE (a nationally funded initiative) USCDC GAP, and WHO programs and in 2005 the GFATM has also begun operations. The co-ordination of these funding streams and the implementation of technical and project management support occurs through the Regional BoH and CDC.

### *Co-operation between projects:*

Integration between projects and funding streams is also sought to reduce duplication of effort and the efficient use of project resources. This is managed through on-going and regular communications with other projects working in XUAR and includes interaction with the national level, with the key regional level co-ordination agencies and with local implementers. We have also found that the outcomes of this effort have enabled implementers working across multiple project environments to apply their skills in each of these project settings in planning, management and implementation. Local implementers are now actively seeking mechanisms to reduce duplication and ways to apply funding in expanding their project impact. This approach appears to be significantly enhancing the mutual benefit gained in XUAR in the region-wide response to HIV/AIDS by expanding and strengthening planning and implementation.

### *Making funding decisions:*

In our experience early definition of strategies is important. Where investment occurs, and for what reason, should be clearly defined. Management mechanisms that enable maximum expansion, flexibility and accountability are fundamental and encourage support for implementation. The ASF strategy is built on insertion point of projects at all levels. Regional level insertion points have been utilized to encourage capacity development and leadership commitment. This then supports projects inserted at lower levels in the government system by ensuring on-going technical and management interaction. This has been fundamental to the scaling-up of project interventions.

By utilizing and funding at different insertion points in the system the ASF funding mechanism enables structured capacity development linked to existing infrastructure. In this way each level is enabled to design and implement while supported technically by higher level agencies.

XJHAPAC has also used capacity assessment as a point of entry into determining the nature of interventions. In environments where there is high need and low level of capacity<sup>2 1</sup> in agencies for implementing interventions and managing projects interventions are designed to enable baseline capacity to develop in the agency and amongst the target population. In Kashgar Prefecture interventions such as multi-sectoral agency co-ordination and communication, awareness raising in the community using interactive methodologies and basic training and infection control in a hospital have been implemented. This has enabled a platform of comprehensive capacity for future more complex interventions such as needle and syringe exchange and condom promotion. Where initial assessments indicate high need and medium to high level the more complex intervention strategies have been designed and implemented such as the needle syringe program in Yining City. This framework of assessment has enabled funding decisions to be made appropriate to the environment.

*Capacity development through process development:*

Capacity is another key factor to consider in the establishment of a flexible funding mechanism. Due recognition must be given to the existing level of capacity in proposed implementation agencies (please refer above to “funding decisions”). Utilising capacity and building capacity are integral components of the development of projects, implementation plans and during implementation. While rapid establishment of interventions is very desirable, to respond to the HIV/AIDS epidemic, capacity building is critical for successful implementation and also for sustainability. Funding technical interventions based on generic guidelines without the development of capacity in project management and issues resolution does not appear to develop a critical mass of personnel for scaling-up. Success seems to build on success. We have noted that as projects have developed, in general, more and more personnel have engaged in the process of implementation. However, the support required to ensure this process places large demands on human resources within the XJHAPAC team and also on government counterparts. This demand should be considered when defining and projecting activity and resource scheduling.

Also, in our experience, linkages to technical assistance, whether international, national or local, are imperative. Designing technical assistance is best done with implementing agencies as part of the process of development of implementation plans and should be seen as an on-going process. Therefore significant levels of flexibility are required.

*Increasing relevance through delivering services:*

Significant investment has been put into HIV/AIDS awareness raising. In Xinjiang this has taken the form of mass media campaigns, promotional activities for key events such as World AIDS Day and IEC materials delivered to communities. These activities started in 2002. However, the impact on the epidemic and actual knowledge and skills levels in the community had not increased significantly. In surveys undertaken in April 2004, as part of the ASF project monitoring and evaluation, levels of knowledge in vulnerable groups about HIV transmission routes is low (around 50-60%). Low levels of knowledge in relation to how HIV is *not* transmitted were evident. This heightens stigma and discrimination. In research following social mobilization campaigns for harm

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reduction in communities in Yining City and the implementation of needle and syringe programs the level of knowledge in the communities had increased when attitudinal indicators were measured according to the results of focus group discussions (Yining City Harm Reduction and Care Project, 2005). There are of course many variables involved in this result such as the close targeting of the campaigns, the link between the information supplied, the delivery of the needle and syringe services and the methodologies employed. However another factor is that when services were established the communities understood the relevance of the information provided as it impacted directly on their day-to-day lives. The information they had received became relevant to them.

### *Sustainability:*

A development truism is that funding should be considered as being channeled into achieving sustainability. Pilot interventions funded through the ASF are designed to support activities for target populations. These preliminary pilots provide the agency with experience on how to implement projects within their constituencies. Of the 23 projects currently funded through the ASF there are also accompanying plans for expansion. For a small proportion of these projects government funding has been assured to support operational costs while for others external funding will finance scaling up, or a mix of both. Mechanisms to ensure integration of funding into budget cycles should be discussed with agencies on an on-going basis.

Another factor contributing to sustainability, in addition to the supportive policy environment is that most of the funding is channeled through government agencies involved with the response to HIV/AIDS. The response in Xinjiang has been built on this basis. This is in part historical as, still, at the end of 2005 there are no local NGOs working in the area of HIV/AIDS apart from those aligned to the government systems such as the Xinjiang Red Cross, the Women's Federation, the Family Planning Commission and the HIV/AIDS Association. Working with the government agencies XJHAPAC has been able to raise awareness and incorporate HIV/AIDS response planning into agency annual workplans. These plans are submitted to government for budget allocation. The more integrated interventions become into the general operations of the agency it appears the more likely it is that these will continue. So by establishing low cost implementation strategies the ASF funding makes a contribution to sustainable action.

### **Discussion**

During the implementation of the Project many lessons have been learned that could be generically applied to the development of ASF or small grants funding mechanisms. The flexibility of the mechanism has enabled projects to be developed that have responded to the changing HIV/AIDS policy environment in Xinjiang. The foundational components of the fund such as the guidelines, the funding agreement (contract) and the protocols have enhanced the transparency of the mechanism. The on-going technical support provided across the agencies and by national and international advisors has strengthened capacity development. The monitoring and evaluation mechanisms provided within project designs and from the management office have provided forums for discussion and issues management. The policy environment has been fundamental to the successful implementation of XJHAPAC and the ASF.

The absence of civil society involvement in XUAR may have been a rate limiting factor in the emergence of the response. However, now that the policy environment has, and sources of funding such as the ASF have, mobilized government agencies the presence of civil society organisations working within the initial response phase may be a moot point. The role of civil society organisations is respected internationally for their capacity to work in resource poor environments implementing sensitive interventions. There is no doubt given international experience that this will continue over time and motivate the establishment of civil society organizations in the HIV/AIDS response in XUAR. Investment in organizations from within civil society appeals to donors where there is concern about the role and capacity of government and financial accountability within government systems (Delion, Peters and Bloome, 2004: World Bank OED 2005). In Xinjiang, it appears that civil society involvement needs to develop and capacity rapidly developed to enable entry into dialogue with key government agencies to establish their role in the response.

The lessons learned in the establishment and implementation allows for comparative analysis of the ASF approach in relation to other types of funding mechanisms (Delion, Peters and Bloome, 2004: World Bank OED 2005). The key factors appear to be the inclusiveness of multi-sectoral agencies the flexibility of the mechanism (Leader and Colenso 2005), the push towards service delivery in multiple settings and the insertion of the funds into different levels of the government system. Other models of funding such as bulk funding with central planning through national level agencies enables on-going advocacy in policy but may not be appropriate in all settings where contextual factors impact significantly on implementation. Other programs often assume that knowledge transfer or capacity building will presumptively enhance the likelihood of service delivery. Examples of programs that use this model can be found in the technically rich, resource poor organizations where workshops and training manuals are seen as the primary leverage point for capacity development. Enhancing the partnerships between these technically rich agencies and those that fund and provide capacity development will be of critical importance in development responses in the future. Another model is one used by small scale projects that are developed in partnership with local agencies. These projects develop capacity at a local level and are fundamental to small scale behavior change. The scalability of these projects from small pilots is marginal. As has been demonstrated through the implementation of the ASF designing and funding projects that include capacity development while enhancing and actively supporting service delivery encourage participation and relevance, and the likelihood of sustainability.

## **Conclusion**

The ASF has been a significant tool in the development of a region-wide response to HIV/AIDS in XUAR. It has enabled wide scale leadership awareness raising, social mobilization, multi-sectoral involvement and the delivery of services in the community, hospitals and health services. The funding mechanism is also very flexible to enable the interventions resulting from implementation to meet the changing needs of the environment. As the policy environment has become more supportive the fund has been applied in environments where there is low capacity and high need and medium levels of capacity and high need. The diversity of projects has supported the on-going development of the response and assisted in reaching very different target groups. When well supported and well managed this type of mechanism applied to fund development associated issues can significantly enhance a multisectoral response by drawing together key agencies.

## Notes

1. Project Working Group is made up of operational level managers from multi-sectoral agencies involved in the response to HIV/AIDS in the Region. The Project Working Group advises the Project and supports the development of ASF projects.
2. Need - prevalence of HIV in target groups is high and/or high numbers of vulnerable groups and/or where risk factors exist such as high rates of sexually transmitted infections; Capacity – experience in implementation

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