



Civil society programming through
a highly centralised funding model:

The case of Malaysia





At a glance

Population	31,190,000 [7]
GNI per capita (US\$)	9,860 [8]
HIV epidemic type	Concentrated
HIV prevalence	
Adults	0.4% [5]
Men who have sex with men	8.9% [5]
Sex workers	7.3% [5]
People who inject drugs	16.6% [5]
Transgender	No data
Domestic HIV expenditure (US\$)	51,263,567 [9]
Int'l HIV expenditure (US\$)	2,538,989 [9]
Domestic to int'l HIV expenditure ratio	20.2:1 [5]
Latest GF disbursement, HIV/AIDS (US\$)	591,357 [10]
HIV prevention expenditure to KP	60.7% [5]

»The issue

The Global Fund, whose support in Malaysia has historically focused on key population (KP) activities, is working with GoM to transfer funding commitments by 2021. For civil society organizations, the transition brings a high level of scrutiny given that only those Global Fund sub-recipients that are strong performers will be transferred to government funding. The transition period is likely to result in temporary service gaps and a number of defunded CSOs that will be tasked with improving their performance to qualify for future government funding.

The Malaysian AIDS Council (MAC) faces a unique opportunity to serve as a catalyst for an equitable transition. As a clearing house for the majority of civil society HIV funding in the country, it can advocate for increased spending and allocative efficiency and distribute funding equitably to civil society organizations. Recently, there has been increasing attention on the importance of MAC's role in ensuring that the allocation of funds for the AIDS response in Malaysia is effective and meets the needs of its diverse community in order to end the epidemic.

There is concern that some HIV interventions, especially those dealing with politically sensitive topics such as sex between men, transgender, and sex work will not ever be embraced by national HIV authorities. Same-sex sexual relations, transgender people, and sex work are criminalised in Malaysia—posing fundamental challenges for MAC to engage the government effectively in improving health in those populations.

»The context

The Government of Malaysia (GoM) has led its HIV response with relatively few international resources since the beginning of the epidemic [1]. Malaysia is ranked seventh highest in adult prevalence of HIV in Asia, with approximately 97,000 people living with HIV and 5,700 new HIV cases in 2016 [4]. Its HIV epidemic is considered concentrated, with prevalence being the highest among people who inject drugs (PWID) (16.6 percent), even after incidence among PWID declined by 95 percent between 2000 and 2015 [2]. Men who have sex with men (MSM) have the second highest HIV prevalence (8.9 percent), followed by sex workers (7.3 percent), and transgender people (5.6 percent) [5]. In 2014, nearly one third of HIV infections in the country were attributed to sex between men [2].

»Funding landscape

Malaysia is one of Asia's fastest growing economies and has enjoyed sustained growth for over fifty years. Since the early epidemic, GoM has funded more than 95 percent of its HIV response. Overall investment in the HIV response has steadily increased, with US\$50m spent in 2015. In 2015, about two-thirds went towards funding HIV treatment and about 17 percent to prevention programmes among key populations, a majority of which was directed at PWID. The share of expenditure that will go to funding treatment is expected to rise in the coming years [2].

Global Fund contributed more than half (62 percent) of the international response to HIV in Malaysia in 2014, meanwhile only about three percent came from bilateral donors [2]. For the six years that Global Fund has invested in Malaysia, it has focused on MSM, sex workers, and transgender people—allowing GoM focus its funding on PWID programming.

»Financing mechanisms

The Malaysian AIDS Council was initiated in 1989 as an initiative of the MoH to serve as an umbrella organization to support and coordinate the efforts of non-governmental organizations (NGOs) working on HIV and AIDS in Malaysia. It is unique in the region in so far as nearly all sources of funding for HIV activities (domestic and international) are channelled through this government organized non-governmental organization (GONGO).

MAC is led by an executive committee comprised of ten elected representatives from its partner organizations that represent a diverse range of associations and communities. At present, there are 46 partner organizations. MAC also leads advocacy efforts and maintains strategic relationships with internal and external stakeholders.

Through MAC, the government supports and actively funds civil society to carry out a variety of activities and engages civil society in the funding dialogue. MAC regularly and consistently monitors its CSO members and their programmes and provides technical assistance to its partners wherever possible.

MAC's strength as a financing mechanism stems in large part from its centralised structure. This structure enables MAC to call upon experts on a range of HIV-related issues that align with funding opportunities. The Global Fund has relied on MAC to implement its grants in Malaysia since 2011—giving it the designation of Principle Recipient (PR). Centralised organizations like MAC are well suited to provide technical assistance to help individual CSOs craft higher quality proposals and take on a programme monitoring role to satisfy donor requirements.

Because almost all domestic and international funding to Malaysian HIV CSOs and their programmes are channelled through MAC, it serves as a hub where CSOs access information on funding opportunities and exchange expertise to fill gaps in organizational capacities. MAC also serves as a mechanism for community engagement, whereby communities conduct advocacy through representation on government committees, technical working groups and processes such as the CCM.

»MAC as a financing mechanism »Challenges

One of MAC's core functions is that of a financing mechanism. Malaysian CSOs that wish to receive MoH funding for HIV programmes must be a registered organization with the Registrar of Society, a government institution, and an affiliate member of MAC. After induction into the Council, they become eligible to receive the funding as well as an array of services to support CSOs during the capture and implementation process. Below are key roles MAC serves during the process.

Pre-award

- Alerts CSOs of funding opportunities
- Offers technical assistance for proposal writing and preparation
- Organises internal vetting process of grant

Post-award

- Programmatic and financial assistance
- Serves monitoring, evaluation, and re-reporting roles for CSOs
- Oversees grant servicing and coordination

The model has proven successful overall, enabling certain opportunities that would not have been possible without a centralised structure. These include timely access to technical expertise among its network, strategic information that is timely and consistent, advocating with a unified voice, and grant coordination efficiency.

It should be noted that not all CSOs providing HIV services in Malaysia elect to be a part of MAC. Those that operate outside of its funding stream are inherently difficult to account for when monitoring the national HIV response and estimating metrics such as HIV expenditure or service coverage. There are two organizations that have an agreement to receive funding through MAC despite not being affiliate members.

While MAC may elevate community voices by virtue of enabling greater participation in the HIV response, MAC and its members' involvement in the national budgetary process continues to be indirect. The government's annual HIV budget for key populations is fixed at US\$1.5m-1.8m—a figure that much of its membership believes must be increased. Due to technical and resource constraints, member organizations to date have relied on MAC to conduct HIV financing advocacy on their behalf.

Furthermore, civic participation is perceived as restrictive, especially as it may relate to sensitive issues that affect MSM, transgender, and sex workers. In Malaysia, same-sex sexual relations are punishable by up to 14 years imprisonment and transgender people and sex workers are both criminalized and prosecuted. This effectively affords more advocacy opportunity to PWID and PLHIV as compared to other key populations.

In a recent evaluation of MAC, respondents reported the identification of programmatic priorities as a central challenge. Concerns have been raised that MAC insufficiently consults with members to set priorities and match grant opportunities with organizational capabilities.

Furthermore, member organizations have expressed a desire for more engagement with the private sector (i.e., as potential donors), more opportunities to advocate directly to the government, greater support for monitoring and evaluation, and more consultation and engagement in troubleshooting for issues experienced during program implementation.

»Lessons

MAC acts as a gateway for all HIV CSO funding in Malaysia. For MAC or any other centralised umbrella organization to work, it is imperative that they maintain transparency and impartiality toward its members regarding access to funding. One area where this cannot be overlooked is the organization's governance structure. The governing board of umbrella organizations must be carefully thought out and its leadership developed according to clear standard operating procedures that protect against conflicts of interest and favouritism. One suggested way of doing this is to have a majority of board members (>50 percent) be independent from organizations that seek funding.

While MAC has gained extensive knowledge through representation at diverse forums that qualify them to establish priorities for financing, proposal development, and programming planning, there is a clear need to enhance community and member engagement. Given the difficulty of any institution achieving meaningful engagement, incorporating such efforts into standard operating procedures could ensure that expectations are consistently met.

Under MAC as a financing mechanism, CSOs that have the capacity to timely report programme implementation, financial disbursements, and evaluation of programme outcomes are typically well funded and are recommended for further funding. This perpetuates disparities in the capacity of CSOs, thereby leaving some CSOs unable to access funding to create new or sustain current programmes. Similarly, new CSOs may experience difficulties in accessing this funding stream, thereby risking the formation of an exclusive group of organizations misaligned with community voices.

CSOs surveyed agreed that better access to evidence and strategic information pertaining to HIV in Malaysia would strengthen the quality of funding proposals and increase the likelihood of timely submissions. One recommendation that is echoed by SHIFT is to invest (through MAC) in a knowledge management hub that member organizations would build collectively. It would help reduce duplication and inefficiency while improving the general quality of strategic information. The database could also help member organizations exchange information about funding opportunities, which are currently forwarded manually. This kind of effort would need to overcome challenges with data sensitivity and conflicts of interest.

Finally, the recent feedback received from stakeholders about MAC's role as a financing mechanism serves as a reminder of the importance of establishing a trusted way to field feedback and grievances. Accountability and transparency are critical shared values and demonstrations of those values engender trust and a spirit of cooperativeness.

References

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