

Social Contracting

A mutual agreement made between CSOs and the Government



Regional Platform
for Communication and Coordination
on HIV/AIDS, Tuberculosis and Malaria
For Anglophone Africa

INTRODUCTION AND OVERVIEW

Since the inception of Global Fund in 2002, there has been an annual increase of donor funding for the past 15 years, however in 2015 was the first year that we saw a decrease in donor funding followed by 2016 respectively. Observing this trend, PEPFAR and the Global Fund developed guidance for countries to routinely examine the sustainability of various health programs. The core objective was for countries to begin planning and increasing domestic financing of HIV, TB and Malaria among other thematic areas.

Social contracting is a mechanism that offers the opportunity to build greater governance, accountability, and partnership between national governments and CSOs. CSOs can advocate for the government to provide transparent, trustworthy, understandable and most importantly focused content. Access to government data in implementation of CSO activities is very critical to ensure effective programming. Through social contracting, CSOs have the opportunity to be more engaged in the policy making decisions process, this is because CSOs are able to provide site-level perspective on the allocation of government resources with the core objective of reaching country targets and epidemic control.

WHAT IS SOCIAL CONTRACTING

The Global Fund defines “social contracting” as mechanisms that allow for government funds to flow directly to CSOs to implement specific activities, though the term may vary by country or region (Global Fund, 2017). Governments can finance CSOs through a variety of methods, including grants, procurement and contracting, and/or third-party payments (UNDP, 2010).

The process by which government resources are used to fund entities which are not part of government (called here civil society organizations, or CSOs) to provide health services which the government has a responsibility to provide, in order to assure the health of its citizenry.

In other terms, social contracting is a process by which public funds are utilized to support nongovernmental entities (CSOs) to deliver services that are typically provided by the government.

Social contracting is a very essential factor in sustaining effective responses following transition is the capacity of governments to continue funding non-state actors financed by donor support. With social contracting government funds flows directly to civil society organizations to implement specific activities. (Global Fund, 2017:12).

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EXAMPLE OF SOCIAL CONTRACTING IN ANGLOPHONE AFRICA

Social contracting is one of the sustainability strategies that the government of Namibia has embarked on. Namibian CSOs have played a critical role in addressing HIV, TB and Malaria, Carrying out tasks that government services find it difficult to implement (such as flexible timing of HIV testing services) and care and support. To meet the target of the HIV/AIDS National Strategic Framework 2017-2021, Namibia thought it wise to implement the NSF activities using a combination of government health and other services and civil society organizations. With the decrease of investment from external funders, the government of Namibia and Namibia CSO's have worked together to expand the work of CSOs with the core objective of meeting the NSF targets. It is very important for countries to assess mechanism that are put in place to determine whether they meet particular needs that will sustain HIV, TB and Malaria services.

EXAMPLE OF SOCIAL CONTRACTING IN OTHER PARTS OF THE WORLD (LATIN AMERICA & THE CARIBBEAN)

In Vietnam the Network of People Living with HIV, HP+ conducted a social contracting feasibility analysis in two decentralized districts, which helped the local governments in developing social contracting programs. Essentially this was supposed to be conducted by the government but Network of People Living with HIV and AIDS provided the services.

Croatia developed a number of mechanisms to foster partnership between the government and CSOs, including allocating financial resources to CSOs. In 2014, the Croatian government allocated US\$733,460 to HIV services provided by CSOs. Eight years after Global Fund support came to an end, nearly all of the CSOs that received Global Fund money were still active in the HIV response, providing necessary clinical and social services for key populations

In Guyana HP+ conducted a social contracting legal and policy analysis of the country's HIV response. Working with stakeholders, HP+ identified immediate next steps to develop and implement a social contracting mechanism. The project is developing a costing tool to calculate unit costs of the HIV services that CSOs provide. Such data can be used by the government to plan allocation of funds via social contracting mechanisms. These unit costs will also support CSOs with advocating for funding commitments and social contracting agreements.

In Kyrgyzstan HP+ is working to build the capacity of the Ministry of Health and government officials in implementing social contracting. This support includes facilitating a study tour to Croatia to understand its social contracting mechanisms. The project is also helping to develop the country's social contracting program based on current national social contracting law, providing policy analysis and development technical assistance along with economic and financial analysis to identify the government's targets and procurement estimate needs for CSO contracting.

SOCIAL CONTRACTING STAKEHOLDERS

The common implementers in social contracting are the government and nongovernmental entities. Some of the nongovernmental entities include community-based Organisations (CBOs), CSOs and other groups within the civil society sector. These groups have well established channels and are committed to reach and support key and vulnerable populations in various thematic areas according to their specialty or constituency. Social contracting is one viable option to ensure that responses continue to scale up among vulnerable populations and other groups, and it could help improve the likelihood that all available services are of acceptable quality and accessibility.



The process of social contracting is not simply that a government provides grants or subventions to CSOs, but requires a number of policy, financial, and programmatic initiatives to ensure successful implementation. Before embarking on the process of social contracting, stakeholders should consider the roles of CSOs, which services are needed, and how active CSOs are in the country response to HIV.

Governments, CSOs, and external funders have the obligation and mandate to support social contracting implementation for it to be effective and achieve its intended purpose.

KEY ACTIVITIES FOR DEVELOPING GOVERNMENT SOCIAL CONTRACTING TO CIVIL SOCIETY

STEPS IN THE SOCIAL CONTRACTING PROCESS	CIVIL SOCIETY ORGANIZATIONS	GOVERNMENT AGENCIES AND POLICYMAKERS	EXTERNAL DONORS
Review and understand legal and regulatory needs for social contracting mechanisms	Support and engage in analysis on country ability to provide funding to CSOs	Determine which funding mechanism would be the most appropriate for the country context	Assist with the development of the social contracting funding mechanism
Develop/adapt regulatory process for selecting CSOs for contracting	Advocate for transparency and accountability in the contract selection process	Develop transparent procurement and contracting processes	Provide best practices globally on transparent review and accountability processes
Ensure domestic finances are available for social contracting mechanisms	Conduct analyses on funding sources for social contracting and advocate for annual predictable financing to be included as a budget line item	Ensure adequate, predictable funding is available for social contracting to civil society	Provide seed money for pilot initiatives of social contracting in country
Provide quality implementation and monitoring of publicly-financed services	Strengthen capacity in organization for management, reporting, and technical monitoring and evaluation for public financing	Develop systems to fund and monitor CSO contract work	Assist CSOs and government on effective implementation and monitoring of work

THE BENEFITS OF SOCIAL CONTRACTING?

Social contracting mechanisms are promising options for governments to fund their disease responses efficiently and effectively. Numerous examples of successful mechanisms, including Croatia and Mexico, already exist where civil society groups sign contracts with government entities to deliver critical HIV, TB and malaria services. Throughout the HIV pandemic, civil society organizations (CSOs) often have been first responders to the HIV response. Reflecting this reality, CSOs have been an integral part of the U.S. President's Emergency Plan for AIDS Relief (PEPFAR) and the Global Fund to Fight AIDS, Tuberculosis, and Malaria (Global Fund) activity implementation since the inception of both landmark global health initiatives, playing a critical role across global, country, and community levels.

CSOs have been able to extend and expand the reach of government-led health systems, adding value to HIV prevention efforts and supporting persons living with HIV in adherence and retention of services. The organizations are instrumental in shaping public health policy and governance of country and local programs, as well as in leading advocacy for reforms that reflect rights-based approaches. The benefits CSO service delivery provides to national governments are essential to any HIV response, including their unique role in reaching vulnerable and marginalized persons impacted by HIV.

SOCIAL CONTRACTING CHALLENGES

According to global consultation on social contracting which was held on 5–6 October 2017, in New York City, USA.

The following concerns were raised concerning social contracting:

- Lack of government willingness to invest in **sufficient core funding** for CSOs;
- Inability or restriction of CSOs to **fulfil essential advocacy roles** when dependent on government funding;
- Issues with measuring outputs and outcomes of **some of the most important activities** performed by CBOs and other civil society groups, which **cannot be measured in standard ways**;
- **the quality and extent of services** provided to the most 'controversial' people, including criminalized groups;
- Potential **loss of autonomy** for CSOs, limiting their creativity, innovation, and flexibility to respond to new and sudden priorities
- **Changes in government** which lead to changes in the interest in or desire to engage in social contracting with civil society
- Question of whether CBOs and other groups in the civil society sector that **provide the most acceptable and best services** are most likely to be engaged by governments.
- Difficulty of implementing in places where **independent CSOs find it hard to thrive and exist**.
- Restrictive and prohibitive competition between **smaller CSOs who find it difficult to compete** with larger ones or private sector entities.

Furthermore, various government representatives raised concern of CSOs groups' inability and the lack of capacity to successfully fulfil contractual requirements and provision of valid, comprehensive reporting of activities and impact. Due to this factors, there is unwillingness on the side of government to contract CSOs, however CSOs cannot implement effective projects without having sufficient core funding behind them.

In addition, there are concerns that if communities become reliant on government funding, they might feel constrained or unable to fulfil essential advocacy roles that include close monitoring and criticism of the government if warranted. Furthermore, programmes for key and vulnerable populations in particular could regress if civil society groups cannot and do not have sufficient advocacy capacity.

Not only that, the governments tend to be interested in funding specific services for which reasonable indicators can be set and impact quantified and monitored. The value and usefulness of some of the most important activities performed by CBOs and other civil society groups cannot be measured in such ways. CSOs also risk losing their autonomy, which could also limit their creativity, innovation, and flexibility to respond to new and sudden priorities. Particularly problematic could be a lessening of trust between clients and civil society groups because of suspicions about CSOs' formal, close arrangements with governments.

Among many others, changes in government could lead to changes in the interest in or desire to engage in social contracting with civil society. Abrupt or sudden financing decisions could have disastrous consequences for CSOs and the populations they are serving. This mainly because social contracting, governments are responsible for evaluating the CSOs they engage with. They may not have the ability or inclination to identify CBOs and other groups in the civil society sector that provide the most acceptable and best services from the perspective of expected clients.

CONCLUSION

The social contracting concept is based on the premise that civil society groups often can provide certain essential services more effectively and efficiently than the government or other sectors, including in areas that have infrequently if ever received domestic support— such as HIV prevention among many key and vulnerable populations.

The sustainability of vital services offered by civil society groups depends on them having access to alternative funding sources. Governments and other domestic sources are the most logical, and sometimes the only options. Social contracting has been shown to be an effective way to formally link the two sectors. Social contracting is financing option by which governments finance programmes, interventions and other activities implemented by civil society actors. This option could help prevent reductions and disruptions in targeted services for key and vulnerable populations (in particular) and ideally contribute to more rapidly expanding effective HIV, tuberculosis (TB) and malaria responses.

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