

December 20, 2016

The Right Hon. Justin Trudeau
Prime Minister of Canada
Office of the Prime Minister
80 Wellington Street
Ottawa, ON K1A 0A2

The Hon. William Morneau
Minister of Finance
Finance Canada
90 Elgin Street
Ottawa, ON K1A 0G5

The Hon. Jane Philpott
Minister of Health
Health Canada
70 Colombine Driveway
Ottawa, ON K1A 0K9

Dear Prime Minister and Ministers:

Re: Adequately funding Canada's federal HIV strategy

We write to you as the non-governmental National Partners with the federal government in the response to HIV and AIDS in Canada. On December 1, World AIDS Day, the federal government once again [confirmed](#) its commitment to investing in programs and research across the country to help tackle HIV, hepatitis C and other sexually transmitted and blood-borne infections (STBBIs). We welcome this commitment, as well as the news that the government has agreed to develop a new, updated action plan to guide the Federal Initiative to Address HIV/AIDS in Canada.

However, as you prepare Budget 2017, we wish to draw again to your attention a serious, ongoing challenge to the HIV response in Canada. Over the last decade, there has been a very substantial loss of federal funds that were to have been spent on the HIV response in Canada. This situation needs to be corrected: an updated federal action plan on HIV needs to be fully and adequately funded.

According to the data provided by PHAC itself, as set out Table 1 below,¹ in just the five years from FY 2008-09 to FY 2012-13, a total of nearly \$13.8 million allocated to the Federal Initiative has gone unspent, lapsing from the HIV response.

Table 1: Funds lost from federal HIV spending between FY 2008-09 and FY 2012-13

All Federal Initiative Partners (PHAC, Health Canada, CIHR, CSC)	Allocation	Expenditures	Funds lost from federal HIV spending (A – B = C)
	Budget (A)	Total (B)	
2012-13	\$76,098,412	\$72,438,512	\$3,659,900
2011-12	\$73,658,271	\$72,936,468	\$721,803
2010-11	\$72,774,385	\$70,340,098	\$2,434,287
2009-10	\$71,171,229	\$68,864,704	\$2,306,525
2008-09	\$73,903,572	\$69,244,263	\$4,659,309
Cumulative loss of Federal Initiative funds from 2008-09 to 2012-13			\$13,781,824

However, the chronic underfunding of the HIV response actually goes much further: in fact, as we set out in Table 3 below, **since the launch of the Federal Initiative in FY 2004/05, a cumulative total of nearly \$104 million has been diverted or withheld from the funding that was ostensibly committed to the federal HIV response.**

We remind you that in 2004, the commitment was made by the (Liberal) federal government of the day to gradually double annual funding for the Federal Initiative over five years, from \$42.2 annually in 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.² This commitment came in response to extensive community advocacy and a unanimous recommendation, from all parties then represented on the House of Commons Standing Committee on Health, that federal HIV funding should be increased to \$85.5 million annually. (In fact, all but one party on the Standing Committee urged in 2003 that the funding should be increased to \$100 million annually.) As presented in *The Federal Initiative to Address HIV/AIDS in Canada*,³ the increase announced by the government of the day was to occur as follows:

Table 2: Funds committed to the Federal Initiative between FY 2004-05 and FY 2008-09

Federal Initiative to Address HIV/AIDS in Canada	
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

Despite this commitment, as PHAC has acknowledged (in an evaluation report released in 2014): “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.”⁴ More specifically, in FY 2007-08, under the previous government, two developments occurred:

- First, the government decided to abandon the commitment to gradually increase federal funding for the Federal Initiative (to \$84.4 million per year) and instead froze funding at a notional level of approximately \$72.6 million annually⁵ – although as noted in Table 2 below, in almost every year since, even that reduced level of funding has not in fact been delivered.
- Second, the government confirmed that it planned to reallocate a total of \$26 million over five years out of the Federal Initiative to the new Canadian HIV Vaccine Initiative (CHVI).⁶ (As you know, CHVI will sunset at the end of March 2017. We call on the government to make a clear commitment that, once CHVI ends, the funds that were being diverted each year from the Federal Initiative to CHVI will be restored to the Federal Initiative going forward.

This would be one modest step toward increasing the Federal Initiative funding to the level that had been committed.)

As a result of these developments, and subsequent repeated instances of under-spending in subsequent years, as best we can determine from the available data, since the Federal Initiative was launched in FY 2004-05, the HIV response in Canada has suffered a cumulative loss of originally-committed funding in the amount of nearly \$104 million dollars, as set out in Table 3 below.

Table 3: Cumulative net loss of federal HIV funding from FY 2004-05 to FY 2014-15

FEDERAL INITIATIVE TO ADDRESS HIV/AIDS IN CANADA				
Fiscal Year	Planned Spending		Actual Spending	Gain (+) or loss (-) of federal funds for HIV response
	<i>Per original FI commitment⁷</i>			
2004-05	\$47.2 M		\$47,273,020 ⁸	+ \$73,020
2005-06	\$55.2 M		\$54,829,030 ⁸	- \$370,970
2006-07	\$63.2 M	<i>After (i)reductions and (ii) reallocations to CHVI</i>	\$63,132,900 ⁸	- \$67,100
2007-08	\$71.2 M	\$60.93 M ⁹	\$61.0 M ¹⁰	- \$10,200,000
2008-09	\$84.4 M	\$73,903,572 ¹	\$69,244,263 ¹	- \$15,155,737
2009-10	\$84.4 M	\$71,171,229 ¹	\$68,864,704 ¹	- \$15,535,296
2010-11	\$84.4 M	\$72,774,385 ¹	\$70,340,098 ¹	- \$14,059,902
2011-12	\$84.4 M	\$73,658,271 ¹	\$72,936,468 ¹	- \$11,463,532
2012-13	\$84.4 M	\$76,098,412 ¹	\$72,438,512 ¹	- \$11,961,488
2013-14	\$84.4 M	\$72.3 M ¹¹	\$73.0 M ¹¹	- \$11,400,000
2014-15	\$84.4 M	\$70,455,059 ¹²	\$70,551,936 ¹²	- \$13,848,064
CUMULATIVE NET LOSS OF FEDERAL HIV FUNDING from FY 2004-05 to FY 2014-15				- \$103,989,069 (approx. \$104 million)

The situation over the last two years – for which complete data does not yet appear to be available – does not inspire confidence that this pattern of steady loss of funding the HIV response is yet over. For FY 2015-16, the federal government has reported *planned* spending under the Federal Initiative of \$70,505,657 – which would represent the loss of another \$13,894,313 last fiscal year from the previously committed amount of \$84.4 million annually. At this time, we do not have data on actual expenditures for that year (although we would welcome receiving this information).¹³ For the current FY 2015/16 still underway, PHAC has reported that it plans again to spend \$72.6 million,¹⁴ yet the history of the last decade raises serious questions as to whether this will in fact be the result.

For years, the National Partners and others working in the HIV response in Canada, have underscored in all discussions with Health Canada and the Public Health Agency of Canada – and with successive Ministers of Health – that support for “integrating” the HIV response with efforts to address HCV and other STBBIs, including now via the new Community Action Fund, was and is contingent upon ensuring that integration would not erode the response to HIV (including the community-based dimension). Assurances were repeatedly given by Health Canada and PHAC that this would not be the case. Yet the data shown above illustrate this erosion is already well underway and continuing.

We are pleased that this government has signed on to UNAIDS goals to bring us closer to zero infections, zero deaths and zero stigma related to HIV and WHO’s goals on viral hepatitis. We also welcome Canada’s commitment to addressing HIV as part of achieving the Sustainable Development Goals – which are just as relevant domestically as they are for our international efforts – and Canada’s recently renewed support for the Global Fund to Fight AIDS, Tuberculosis and Malaria through an enhanced contribution to this global effort.

Yet this commitment on the international stage must also be matched at home. World Bank studies support increased investment in the 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: UNAIDS estimates that resources for community mobilization will need to increase three-fold from 2016 to 2021, with further increases required from 2021 to 2030.¹⁵ However, approximately one-third of HIV organizations across Canada – many of them providing front-line services – have lost their funding or had it substantially reduced in the initial round of funding decisions under the Community Action Fund. Without a strong community-based response, many direct services affecting HIV prevention and support to people living with HIV will go missing, and Canada will not be able to meet the UN’s 90-90-90 targets to which we have committed. In fact, a country as wealthy as Canada should aim to exceed those targets.

As National Partners, we are poised to work in partnership with this government to reach these goals, and look forward to being actively engaged in identifying updated strategic priorities for a federal action plan. However, without increased investment and a clear plan to scale up evidence-based actions, Canada will fall short in our commitments both domestically and on the international stage. We value the federal government’s re-commitment to working in collaboration with civil society organizations and are committed to constructive engagement with a view to ensuring that the response to HIV and HCV in Canada is as strong as possible (including its community-based component), that organizations delivering important, evidence-based services are supported, and that priority populations are not left behind.

In light of the information presented above, we urge that, at the absolute minimum, the federal government honour the original commitment in 2004 of the Liberal government of the day by restoring, without delay, the full \$84.4 million annual funding for the Federal Initiative to Address HIV/AIDS in Canada. This should include substantial support via the Community Action Fund for community-based organizations. We also note that this commitment is now more than a decade old and that the federal action plan for addressing HIV in Canada is to be updated in 2017; it is critical that this updated action plan be adequately funded.

We would be pleased to meet with you at your earliest convenience to discuss this matter and stand ready to work together to ensure the HIV response in Canada is adequately funded.

Sincerely,



Ken Clement, Chief Executive Officer, Canadian Aboriginal AIDS Network



Gary Lacasse, Executive Director, Canadian AIDS Society



Laurie Edmiston, Executive Director, Canadian AIDS Treatment Information Exchange



Richard Elliott, Executive Director, Canadian HIV/AIDS Legal Network



Andrew Matejic, Executive Director, Canadian Association of HIV Researchers



Robin Montgomery, Executive Director, Interagency Coalition on AIDS and Development



Shelina Karmali, Executive Director, Canadian Treatment Action Council



Tammy Yates, Executive Director, Realize

Cc: *Dr. Siddika Mithani, President, Public Health Agency of Canada*

¹ 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).

² Standing Committee on Health, [Strengthening the Canadian Strategy on HIV/AIDS](#) (June 2003).

³ 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>.

⁴ 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).

⁵ This figure is the one given by Health Canada and PHAC in the above-noted [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).

⁶ 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 Partners at the time (in correspondence and media commentary on file), as it was by numerous community-based organizations in the HIV sector. 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.

⁷ [Federal Initiative to Address HIV/AIDS in Canada](#) (2004), p. 9.

⁸ *Federal Initiative to Address HIV/AIDS in Canada Implementation Evaluation Report (2004-2007)*, [Annex I-4 - Federal Initiative Allocations by Areas of Action](#) (2009).

⁹ This figure 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 in person to national HIV/AIDS organizations 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, see 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.

¹⁰ Public Health Agency of Canada, [2007-08 Departmental Performance Report](#).

¹¹ Public Health Agency of Canada, [Supplementary Information Tables: 2013–14 Departmental Performance Report](#), pp. 27-35.

¹² Public Health Agency of Canada, [Supplementary Information Tables: 2014–15 Departmental Performance Report](#), p. 34.

¹³ Public Health Agency of Canada, [The Federal Initiative to Address HIV/AIDS in Canada: Plans, Spending and Results – 2015-2016](#).

¹⁴ Public Health Agency of Canada, [The Federal Initiative to Address HIV/AIDS in Canada: Plans, Spending and Results – 2016-2017](#).

¹⁵ UNAIDS Programme Coordinating Board (UNAIDS/PCB(39)/16.19. (2016). *Draft Follow-Up to the Thematic Segment from the 38th Programme Coordinating Board meeting: The role of communities in ending AIDS by 2030*. Prepared for the 39th Programme Coordinating Board meeting, December 6-8, 2016.