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Senator Alex Gallacher, Chair
Foreign Affairs, Defence and Trade Committee
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Senator,

Submission to the Committee's Inquiry into <u>The delivery and effectiveness of Australia's bilateral aid program in Papua New Guinea (PNG)</u>

Executive summary

1. Communities of men who have sex with men (MSM), transgender people and sex workers are at heightened risk of HIV infection in PNG. People living with HIV (PLHIV) in PNG experience high levels of stigma and discrimination, and often-poor access to the treatments they need to stay alive. The PNG national health system is generally weak, and PLHIV confront significant challenges in accessing even the basic services the health system provides. MSM, transgender people and sex workers experience many of these same barriers.

2. Australia's own response to HIV is internationally regarded as one of the world's best. Australia has learned from its own experience that an effective HIV response in PNG requires the active engagement of those communities most affected by the epidemic, including MSM, transgender people, sex workers and PLHIV. This learning should be reflected in the HIV-related work undertaken by the Australian Department of Foreign Affairs and Trade (DFAT) in PNG.

3. Fortunately, engaging these communities in PNG has been made easier by the fact that each of these marginalised groups has established representative organisations. PLHIV are represented by Igat Hope. MSM and transgender people are represented by Kapul Champions. Sex workers are represented by Friends Frangipani. It stands to

reason that any serious efforts on the part of DFAT in PNG to combat the spread of HIV, or to mitigate the impacts of infection on PLHIV and their families, must involve these representative organisations.

4. For over fifteen years the National Association of People with HIV Australia (NAPWHA) conducted a mentoring, support and capacity building program for Igat Hope. The Australian Federation of AIDS Organisations (AFAO) conducted a similar program in support of Kapul Champions for many years, as did Scarlet Alliance in support of Friends Frangipani. AFAO, NAPWHA and Scarlet Alliance have drawn on their experiences running these programs in the development of this submission, which has been endorsed by all three organisations.

5. DFAT in PNG is a key player in that country's HIV response. DFAT is fortunate to have several significant policy documents to help guide its work. These include DFAT's national strategy for aid, *Australian aid: promoting prosperity, reducing poverty, enhancing stability*; DFAT's *Strategic priorities for Australia's international response to HIV*; the Commonwealth Department of Health's *Seventh National HIV Strategy 2014-2017*; and PNG's *National HIV and AIDS Strategy*. Together these documents provide a clear framework for DFAT's HIV-related work in PNG. In summary, this framework emphasises:
   - The importance of health to development, and the negative impacts on health of marginalisation and discrimination.
   - Partnership approaches that engage those communities most affected by HIV, and that facilitate mobilisation of these communities.
   - A focus on marginalised groups most vulnerable to HIV, specifically MSM, transgender people, sex workers and PLHIV.
   - Considered funding decisions based on what works.

6. AFAO, NAPWHA and Scarlet Alliance believe that recent actions by DFAT in PNG are not consistent with these policy statements. These actions include massive funding cuts to Igat Hope, Kapul Champions and Friends Frangipani, which suggest an abandonment of DFAT's previous commitment to supporting the community response to HIV in PNG.

7. AFAO, NAPWHA and Scarlet Alliance believe DFAT's recent approach is not consistent with Australia's national strategy for aid, most notably the strategy's emphasis on health and social protections for the most marginalised communities, and on cost-effective interventions that prevent the spread of communicable diseases. We believe this approach is not consistent with Australia's statement on strategic priorities for HIV, which clearly mandates an emphasis on MSM, transgender people, sex workers and PLHIV, and that directs DFAT to fill the gaps for these communities. It does not reflect the principles that underpin Australia's own national strategy on HIV and does not reflect what Australia has learned through its experience of over thirty years fighting the epidemic. We believe it is not consistent with the PNG HIV strategy's focus on MSM, transgender people, sex workers and PLHIV.

8. DFAT's recent actions appear not to have been based on any evidence as to the effectiveness of the community response to HIV in PNG or on any formal assessment of the impacts of programs conducted by AFAO, NAPWHA or Scarlet Alliance. There

is no evidence to support DFAT's new approach to the community HIV response in PNG, and significant evidence that it will imperil the fragile response that has been built in PNG to date.

9. The consequence of DFAT's recent approach is that Australia's past investments in the PNG HIV response are being undermined. Significant amounts have been spent in past years on fostering a community response to HIV in PNG, and this money stands to be wasted if support for the community response is not restored. It is not too late to fix the problem, but DFAT will need to move quickly to repair the damage its recent approach has inflicted on the community HIV response in PNG.

1. Introduction

The Australian Federation of AIDS Organisations (AFAO) is the national peak organisation representing the community response to HIV in Australia. Its members include, among others, the National Association of People with HIV Australia (NAPWHA), and Scarlet Alliance, the national peak for community sex worker organisations. AFAO, NAPWHA and Scarlet Alliance have all undertaken HIV-related aid programs in PNG over many years, in NAPWHA's case for over fifteen years. We have drawn on these experiences in the development of this submission, which is endorsed by AFAO, NAPWHA and Scarlet Alliance.

For the past five years AFAO has been funded by the Department of Foreign Affairs and Trade (DFAT) in PNG to conduct an HIV prevention program with PNG communities of men who have sex with men (MSM)[1] and transgender people[2]. MSM and transgender people are represented in PNG by the community HIV organisation Kapul Champions. AFAO helped establish Kapul Champions in 2012, with the support of DFAT in PNG.

NAPWHA has worked with people living with HIV (PLHIV) in PNG for over fifteen years. It was instrumental in the establishment of the national association for people with HIV in PNG, Igat Hope. NAPWHA has provided Igat Hope with mentoring and technical assistance since Igat Hope was first established in 2003. From 2005 to 2012 this work was funded by DFAT.

Scarlet Alliance was instrumental in the establishment of Friends Frangipani, PNG's national organisation for sex workers, in 2006. Scarlet Alliance was subsequently funded by DFAT to provide mentoring and support for Friends Frangipani. This funding was concluded in 2014.

DFAT's support for AFAO, NAPWHA and Scarlet Alliance, and for the three community organisations in PNG, being Kapul Champions, Igat Hope and Friends Frangipani, is grounded in the dual realities that MSM, transgender people and sex workers are particularly vulnerable to HIV in PNG, and that PLHIV are subjected to high levels of stigma and discrimination that limit their access to the health and community supports they require. Recent research in PNG indicates that the epidemic is not, as previously understood, a generalised one. Instead this research suggests that MSM, transgender people and sex workers have significantly higher rates of HIV infection than the general population.

[1] It is noted that many within this community prefer the term 'men with diverse sexualities', however this submission will use the term more commonly utilised in Australia, 'men who have sex with men' (MSM).

[2] Members of this community in PNG use the term *transgenders* to describe themselves. However given the term 'transgender people' is more commonly used in Australia and across Asia, AFAO has used the descriptor *transgender people* in this submission.

Surveillance data in PNG is limited. For more than half of all recorded cases there is no data on mode of transmission. The limited data available notes 2.6% of transmissions occur through sex acknowledged to have been homosexual, although one-off project-based biological studies in the National Capital District have indicated an HIV prevalence rate of 4% amongst MSM. Other small studies have also found higher rates of infection amongst groups of MSM than is suggested by the national figures for mode of transmission.[3]

Program monitoring data from Save The Children in PNG's Poro Sapot Project has found that HIV prevalence amongst MSM, transgender people and sex workers is 4 to 5 times higher than in the general population. This, if corroborated by larger scale biological research and surveillance, would confirm the presence of concentrated epidemics amongst these communities.[4] It has also been reported to be 14% for MSM.[5] In a 2014 report to the United Nations agency UNAIDS, the National AIDS Council Secretariat and the PNG National Department of Health noted infection rates among male sex workers, many of whom engage in male-to-male sex, at 8.8%, and infection rates among transgender sex workers at an alarming 23.7%.[6]

While it may be some time before we have accurate indicators for HIV prevalence within populations of MSM, transgender people and sex workers in PNG, we know enough already to be confident that these communities are at greatly heightened risk of HIV infection. DFAT in PNG has recognised this and has been active in refocusing the PNG response to HIV away from general population interventions and towards targeted programs for marginalised groups.

AFAO, NAPWHA and Scarlet Alliance have collaborated in the development of this submission. This submission is grounded in the experiences of those PNG communities most negatively impacted by HIV. It is based on the coalface experiences of Kapul Champions, Igat Hope and Friends Frangipani. It has been contextualised by the decades of experience that the three Australian organisations have in regional responses to HIV.

AFAO notes the Terms of Reference for the Committee's Inquiry:
a. The political, economic and social objectives of Australia's aid;
b. The role of multilateral and regional organisations, non-government organisations, Australian civil society and other donors;
c. Scope for increasing private sector involvement in sustainable economic growth and reducing poverty;
d. Scope for expanding private sector partnerships in leveraging private sector investment and domestic finance;
e. Improving PNG's progress towards internationally recognised development goals;
f. Supporting inclusive development by investing in good governance, health and education, law and justice and women's empowerment;
g. Establishing realistic performance benchmarks to assess aid outcomes against set targets and to improve accountability; and

[3] PNG National HIV and AIDS Strategy 2011-2015, National AIDS Council PNG
[4] UNGASS 2010 Country Progress Report; Papua New Guinea, National AIDS Council PNG and Partners
[5] IMR, 2010, reported in PEPFAR Operational Plan Report 2013
http://www.pepfar.gov/documents/organization/222178.pdf
[6] Interim Global AIDS Response Progress& Universal Access Reports PNG 31st March 2014
http://www.unaids.org/sites/default/files/country/documents//PNG_narrative_report_2014.pdf

h. The extent to which development outcomes in PNG can be improved by learning from successful aid programs in other countries.

AFAO has focussed its submission around DFAT's support for PNG's HIV response, although we believe our comments may have relevance to other areas of DFAT's health program as well.

Australia is justifiably proud of its leadership in the international HIV response. Since 2004 the Australian aid program has committed over $1 billion to HIV.[7] This then should be an area of strength for DFAT's program in PNG. Yet as we explain in this submission, some of DFAT's more recent approaches to HIV in PNG jeopardise a solid record of achievement on the part of the Australian aid program.

AFAO would like to begin its submission with an overview of the policy framework that governs DFAT's HIV program in PNG. We would like to address, in turn, Australia's national strategy for aid, the strategy for Australia's development work relating to HIV, the Australian Government's national strategy for HIV, and the PNG national HIV strategy.

2. Australia's aid program – strategic priorities

DFAT's national strategy for aid, Australian aid: promoting prosperity, reducing poverty, enhancing stability[8], provides the framework for the implementation of Australia's aid program. The document outlines some new emphases in the nation's aid program, several of which have particular relevance to HIV.

The strategy outlines a clear commitment to human development and recognises the importance of health in lifting living standards and alleviating poverty.

While reflecting on significant advances in poverty alleviation globally, the strategy notes that particularly disadvantaged communities, including those with disabilities (such as HIV), can miss out, through no fault of their own, on the opportunities generated by a growing economy. The strategy notes, "We all pay the price if the most disadvantaged people are left behind."[9]

AFAO and NAPWHA have been making this point for many years. Economic growth in the Asia Pacific has in many cases bypassed people with HIV who are unable to access the educational and employment opportunities that economic development generate for the general population. This is also true for other communities affected by HIV – such as men who have sex with men, transgender people and sex workers - who are in many cases criminalised, marginalised and otherwise excluded from the opportunities afforded the general community.

The national aid strategy identifies health and social protection as priorities. The strategy rightly notes that:

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[7] Australian Government, Department of Foreign Affairs and Trade, Australian aid: promoting prosperity, reducing poverty, enhancing stability, 2014

[8] Australian Government, Department of Foreign Affairs and Trade, 2014

[9] Ibid, at page 7

> *The health and education systems of countries in our region are constrained by inadequate financial and human resources. They struggle to deal with persistent and complex challenges. In health .... infectious diseases continue to be major health problems….Trans-boundary health challenges, such as emerging drug resistance to infectious diseases, are significant threats to economic growth and health security.*[10]

The strategy commits to investment in health, including support for partner governments so that these governments deliver better health for all, including to the poor, with a focus on cost-effective interventions to prevent communicable diseases such as HIV, tuberculosis and malaria.

AFAO notes the special challenges in implementing this commitment in the context of HIV. Many of the communities most affected by HIV, and most in need of HIV programs, are criminalised, marginalised or disregarded by partner governments. It is hard to get governments in the Asia Pacific to invest in programs for gay men, transgender people, sex workers or people with HIV. Too often, these governments are more interested in criminalising and persecuting these communities than they are in investing in their health.

Regrettably, this has been the case with PNG despite the fact that country's national HIV strategy has a clear focus on marginalised groups. Homosexual sex and sex work remain criminalised in PNG and there has been virtually no parliamentary support for reform. No PNG government department has ever made funding available for Igat Hope, Kapul Champions or Friends Frangipani.

Given the PNG Government's approach to these populations, it is hard to see the Australian Government having much success in getting its PNG counterpart to invest appropriately in the health of MSM, transgender people and sex workers, despite the cost-effective nature of these interventions. Instead, the Australian Government may need to provide support directly to these marginalised communities.

The strategy also commits Australia to supporting regional solutions to trans-boundary disease threats, including by working with partner countries to mobilise political leadership in support of such solutions. Again, this may prove challenging in relation to HIV. The PNG Government has shown little interest in the law reform necessary for a proper HIV response. Australia's own experience has proven that reducing HIV transmissions requires the creation of a supportive legal and policy environment. The criminalisation of homosexual behaviour, transgender behaviour or sex work undermines national efforts to reduce infections, yet the political leadership to drive required reform is not yet apparent in PNG. Australia may need to find more creative strategies for building this political leadership, and one way of doing this may be to support community-based programs in PNG that build support for reform.

The strategy commits Australia to enhanced investment in tackling the stigma that surrounds disability, including by enabling people with a disability to access services, and by supporting organisations that represent people with disabilities. DFAT's past support for Igat Hope is an example of this commitment.

The strategy strongly emphasises Australia's role in promoting gender equality. While this is traditionally understood to refer to initiatives for women and girls, AFAO would submit that this commitment extends also to transgender people who are subjected to incredibly high

[10] Ibid, at page 19

rates of gender-based violence, and denied opportunities in every area of PNG life by virtue of their gender.

The strategy is clear that Australia will emphasise its 'value-add', focusing on its own expertise. Australia is internationally recognised for its expertise in the implementation of an effective HIV response, and is right to focus on supporting PNG in this area.

The strategy commits Australia to working with the most effective partners, including NGOs and volunteer organisations. AFAO is confident that it and its members have shown themselves to be extremely effective partners. Our counterpart community organisations in PNG have similarly demonstrated their effectiveness.

Finally, the strategy includes a clear commitment to assessing and understanding the aid program, and to acting on the basis of this knowledge. AFAO has always supported this principle, confident that its own development work, and the development work of its members, is capable of demonstrating its effectiveness and value for money.

3. Strategic priorities for Australia's international response to HIV

DFAT's Strategic priorities for Australia's international response to HIV[11] notes that PNG is characterised by heightened HIV risk for MSM, transgender people and sex workers. The document recognises that targeting these populations with prevention and treatments interventions is high impact and low cost.

DFAT has indicated that Australia's regional response to HIV, including in PNG, is to be guided by three principles:

- *Equitable access to health and HIV services*, especially for marginalised and vulnerable populations, and to legal and policy environments that are free from discrimination and protect human rights;
- *Effectiveness* - making strategic choices that prioritise sex workers, MSM, transgender people and people living with HIV;
- *Sustainability* – supporting partner governments to, among other things, allocate donor and domestic funding equitably and employ efficient coordination mechanisms.

AFAO strongly supports these principles.

DFAT has further indicated that its implementation of these principles will be shaped by ten priorities. Of particular relevance to the Committee's considerations are the following:

- Showing leadership on HIV
- Promoting equity, advocating for equitable and enabling legal and policy environments, and targeting laws that stigmatise key populations;
- A focus on countries with higher HIV burdens, specifically PNG;
- Strategic investment in key populations, specifically sex workers, MSM, transgender people and PLHIV;
- A balance between integrated and dedicated services, recognising the need for targeted services for key populations where required;
- A research focus on what works.

[11] Australian Government, Department of Foreign Affairs and Trade, 2014

DFAT's priority statement commits Australia to filling in the gaps when it comes to highly marginalised groups; these are the groups that governments in Asia and Pacific often refuse to fund. The document notes that DFAT will:

> *Invest strategically in key populations, sex workers, men who have sex with men (MSM), transgender people, people who inject drugs and people living with HIV where Australia has a comparative advantage and based on a clear understanding of country epidemics and responses.*[12]

AFAO supports DFAT's principles and priorities, which clearly indicate the need for a focus within PNG on those communities represented by Kapul Champions, Igat Hope and Friends Frangipani.

4. Australian HIV strategy

The introduction to the National HIV Strategy[13] notes that the success of the Australian response has been built on partnership between government, affected communities and the research and medical sectors, and on community mobilisation.[14] It observes that this partnership is required now more than ever.[15]

The strategy details the principles by which it is guided[16], including commitment to:

- Human rights, including the right of people with HIV to live free from stigma and discrimination.
- Access and equity: the strategy states that health and community care in Australia should be accessible to all, based on need. The multiple dimensions of inequality should be addressed, whether related to such matters as gender or sexuality.
- Partnership between affected communities, professional and community organisations, government, researchers and health professionals. The strategy notes that this partnership is to be characterised by consultation, cooperative effort, respectful dialogue, resourcing and action.
- Meaningful involvement of affected communities in all aspects of the response. The strategy notes that the meaningful participation of people living with HIV and of affected communities in all aspects of the response is essential to the development, implementation, monitoring and evaluation of programs and policies.

AFAO strongly supports these principles.

AFAO recognises that each country's HIV epidemic is unique. The Australian HIV Strategy is designed for application domestically and it cannot be simply transplanted into other settings. But the Australian response is globally recognised as historically one of the world's best, and DFAT has been right to encourage other countries, including those in the Asia Pacific, to observe the successes of Australia's partnership response. It would seem

[12] Australian Government, Department of Foreign Affairs and Trade, 2014, at page 2
[13] Australian Government, Department of Health, Seventh National HIV Strategy 2014-2017
[14] At page 1
[15] At page 2
[16] At pages 10-12

reasonable for the principles that underpin the Australian response to underpin PNG's response as well, and AFAO contends that this is so.

DFAT has sensibly encouraged PNG to build its own partnership response, tailored to the PNG context. This response must be expected to engage affected populations and their representative organisations in every aspect of the strategy. This engagement must occur via meaningful partnership.

5. Papua New Guinea HIV and AIDS Strategy 2011-2015

PNG's National HIV and AIDS Strategy[17] guides the country's response to HIV. It was developed under the auspices of the National AIDS Council, which has received significant support from DFAT for over a decade. Many DFAT personnel contributed to the development of the strategy and it owes some of its characteristics to current and past Australian HIV strategies.

The Strategy identifies at multiple points the need for focus on marginalised groups.

The Strategy's section, **Priority Area 1 – Prevention**, notes that not everyone in PNG has the same level of risk, so more-at-risk populations need to be identified and targeted with combination prevention interventions. The Strategy calls for scale-up of interventions that help protect people engaged in sex work. The Strategy acknowledges that ensuring PLHIV and more-at-risk populations are engaged in the design, delivery and review of risk reduction interventions will be critical to the success of HIV and STI prevention efforts. This Priority Area also includes strategic objectives to help MSM adopt and sustain behaviours that reduce the risk of HIV transmission, and to identify other more-at-risk populations and support them through appropriate interventions.[18]

In a later section on the **Vulnerability of more-at-risk populations**, the strategy notes that vulnerable populations include women and men involved in sex work and MSM. The strategic objectives in this section include the development of prevention interventions that reduce the vulnerability of more-at-risk populations and reduction of HIV-related stigma and discrimination against more-at-risk populations and their families.[19]

The Strategy's section on **stigma and discrimination** recognises that changing attitudes towards HIV, people living with HIV, and people vulnerable to HIV, will be critically important. This section's strategic objectives include increasing understanding of the impacts of stigma and discrimination and the rights of PLHIV; the development of community-based interventions and campaigns which reduce stigma and discrimination; building the capacity of PLHIV and organisations to advocate and act against stigma and discrimination; and building capacity of organisations in human rights-based HIV interventions and programs.

The PNG strategy clearly spells out the need for a focus on MSM, transgender people, sex workers and people living with HIV. Its aim of building the capacity of organisations that undertake rights-based HIV work must be seen as a clear commitment to Igat Hope, Kapul

[17] Government of PNG, PNG HIV and AIDS Strategy 2011-2015

[18] Strategy page 31

[19] Strategy page 37

Champions and Friends Frangipani.

6. The policy framework overall

In the preceding pages AFAO has sought to outline the overarching policy framework within which DFAT should be delivering its HIV program in PNG. In summary, this framework emphasises:

- The importance of health to development, and the negative impacts on health of marginalisation and discrimination.
- Partnership approaches that engage those communities most affected by HIV, and that facilitate mobilisation of these communities.
- A focus on marginalised groups most vulnerable to HIV, specifically MSM, transgender people, sex workers and PLHIV.
- Considered funding decisions based on what works.

In the following section AFAO offers an assessment of DFAT's performance in PNG, with specific reference to this policy framework.

7. DFAT's performance in PNG in the context of its strategic commitments

DFAT acknowledges that its progress towards improved HIV and AIDS outcomes in PNG is slower than it would like. In its 2014-2015 Aid Program Performance Report for PNG (November 2015), DFAT gives itself an amber rating in this area, meaning 'Progress is somewhat less than expected at this stage of implementation and restorative action will be necessary if the objective is to be achieved. Close performance monitoring is recommended.'[20]

The report lists a range of areas where DFAT might hope for improved performance, including distribution of anti-retroviral therapies (HIV treatments). The report notes that many PLHIV (including pregnant women) are not getting the access to the treatments that they require.[21]

AFAO sees DFAT's contribution to the HIV response in PNG as having comprised two stages. The first stage was characterised by clearly demonstrated commitment to supporting key affected populations in PNG and to enhancing the capacity of these populations to contribute to the country's HIV response. During this period DFAT supported the establishment of Igat Hope, Kapul Champions and Friends Frangipani. It contracted with NAPWHA to provide capacity building and mentoring supports to Igat Hope. It funded AFAO to provide similar supports to Kapul Champions, and it funded Scarlet Alliance to deliver a comparable assistance package to Friends Frangipani.

During this period DFAT provided the three PNG community HIV organisations – Igat Hope, Kapul Champions and Friends Frangipani - with funding sufficient to enable them to operate effectively and to engage their constituencies in the national HIV response. The three Australian organisations were supported to provide their PNG counterparts with highly valued mentoring and support. Numerous reports to DFAT have documented the very significant outcomes from this funding, including in relation to expansion of the PNG

[20] At page 6

[21] At page 6

organisations and enormous growth in their capacity to reach, engage and service their constituents. DFAT has previously acknowledged these achievements.

The second stage of DFAT's contribution has been characterised by a very significant withdrawal of support for the community response in PNG. AFAO would submit that this ill-conceived reduction in support has been instituted in a regrettably chaotic fashion.

7.1 Defunding AFAO, NAPWHA and Scarlet Alliance

In 2012 DFAT announced, with only a few months notice, that it would cease funding NAPWHA's program of support to Igat Hope. This decision was not based on any formal evaluation of NAPWHA's role or performance. It was not based on any formal assessment of the extent to which NAPWHA had successfully built the capacity of Igat Hope. Instead, DFAT advised that it wanted to try a different form of support, specifically an in-house long-term volunteer for Igat Hope, to be sourced via Australian Volunteers International and to be supported with funding from DFAT.

However, having deducted the costs of supporting a full-time international volunteer from Igat Hope's budget, DFAT then spent two whole years *not* filling this position. The position has *never* been filled. By 2015 Igat Hope had all but collapsed, necessitating an urgent intervention by DFAT that has involved the appointment of an expatriate adviser to arrest the organisation's decline. While the cost of this latest intervention is not known to AFAO, we doubt it will cost much less than it would have cost DFAT to continue NAPWHA's modest support program.

DFAT also advised Scarlet Alliance and Friends Frangipani that their support program would be defunded at the end of 2012, also to be replaced by a single international volunteer. Scarlet Alliance's support program was subsequently reduced on the basis that the mentoring and support services previously provided by Scarlet Alliance would now be provided by the volunteer. But, as was the case with Igat Hope, DFAT never appointed the international volunteer, leaving Friends Frangipani significant under-supported. Scarlet Alliance's reduced support program was completely defunded after 2014. The mentoring and supports provided by Scarlet Alliance were not replaced by comparable supports from an alternative source leaving the developing organisation at great risk of collapse. Friends Frangipani has suffered as a consequence and it remains a fragile organisation.

AFAO's support program for Kapul Champions was defunded in 2015, with little notice and with no plan for AFAO's supports to be provided from any other source. AFAO was explicitly advised that this decision had nothing to do with AFAO's performance or the success of the mentoring program. Indeed AFAO's program was highly praised. Instead, DFAT advised that the decision to defund AFAO's program was the result of 'other demands' being made on DFAT PNG's budget.

AFAO suggests that collectively these decisions indicate a pattern of poor process on the part of DFAT, and a somewhat chaotic approach to community capacity building. None of these decisions appear to have been made on the basis of any formal measure of program effectiveness. Indeed, to our knowledge, DFAT has never conducted any level of assessment of the value of any of the support programs provided by AFAO, NAPWHA or Scarlet Alliance.

AFAO recognises DFAT's right – indeed its obligation - to source mentoring, capacity building and other technical supports from the most efficient, effective and cost-effective sources. AFAO and its members would have welcomed the opportunity to demonstrate that we are

indeed such sources. We would have shown how AFAO and its members have been applying their significant volunteer resources for the benefit of the Australian aid program. NAPWHA in particular utilised large numbers of Australian volunteers to support the work of Igat Hope, making NAPWHA's program incredibly cost-effective. AFAO estimates that, in the last year of its program, AFAO delivered a minimum six weeks of unpaid labour in support of Kapul Champions. Scarlet Alliance also contributed significant amounts of volunteer labour in support of Friends Frangipani. The Commonwealth has routinely acknowledged the value of the volunteer contribution to Australia's HIV response, and this volunteer resource was being successfully tapped to help the PNG aid program. This will be no longer possible now that the AFAO, NAPWHA and Scarlet Alliance programs in PNG have all been defunded.

NAPWHA had also been able to use its excellent links with Australian manufacturers of pharmaceuticals to help deliver a significant industry-funded support program for Igat Hope. This industry fund, the Collaboration for Health in PNG, has provided hundreds of thousands of dollars to support community HIV treatments initiatives in PNG. This was only made possible because of NAPWHA's strong links and was, AFAO submits, a fine example of engaging the private sector in Australia's aid program.

Similarly, the Scarlet Alliance program created links with condom manufacturing companies that resulted in PNG's inadequate supplies being regularly supplemented and the country's poor-quality condoms being replaced by products that met appropriate safety standards. These were subsequently distributed through sex worker peer networks in PNG.

7.2 Reducing funding for Igat Hope, Kapul Champions and Friends Frangipani

While the defunding of the AFAO, NAPWHA and Scarlet Alliance programs in PNG has been regrettable, far worse has been DFAT's 2015 decision to reduce funding to the three PNG organisations – Igat Hope, Kapul Champions and Friends Frangipani - by around 50%. AFAO says 'around 50%' because no funding contracts have yet been offered to any of the three organisations, despite the funding period having begun well over a month ago.[22] Kapul Champions, for example, understands that its budget has been reduced by 43% but is still awaiting confirmation. No bridging finance has been provided. Instead, staff are being expected to continue working on the basis of the promise of future funding, of some amount, at some point in the future.

Both Kapul Champions and Friends Frangipani have been forced to relocate to Save The Children in PNG, and Save The Children will now have some sort of role in auspicing or managing these two organisations. AFAO regrets that it cannot be clearer with the Committee about these arrangements, but they have either not been concluded or not yet made public. Neither Kapul Champions nor Friends Frangipani will be party to any agreement between DFAT and Save The Children, and they have not been advised of the likely contractual terms. While AFAO respects the work done by Save the Children, it is not a community-based organisation. It does not hold itself out as having expertise in the facilitation of community-based responses amongst marginalised groups. And the 50% reductions in funding will seriously undermine the capacity of any of the three organisations to operate effectively. These forced changes are consistent with an approach that sees Kapul Champions and Friends Frangipani as mere projects of an international NGO, rather than as vibrant, capable and independent community-based organisations. This would be an

[22] PNG organisations operate on a calendar year basis. Contracts for 2016 were meant to commence from 1 January 2016.

unfortunate outcome indeed, and one at odds with DFAT's past efforts, undertaken at significant expense, to establish the two organisations.

Leaders of Igat Hope, Kapul Champions and Friends Frangipani have expressed their deep disappointment regarding DFAT's recent funding decisions. Programs are being wound down, staff are being released and regional offices are being closed. The autonomy of the organisations representing the communities most affected by HIV will be lost, and the capacity of the organisations to effectively contribute to PNG's HIV response will be significantly diminished.

We recognise that DFAT may need to reduce costs, but we question whether the capacity, strength and independence of the community HIV response is the right place to be seeking savings.

It is our strong assertion that a cost benefit analysis of these decisions would demonstrate that short-term program savings on the resourcing of these three organisations will have longer-term costs as HIV infections that could have been averted impact on the country's already struggling health system.

8. Conclusion

AFAO, Scarlet Alliance and NAPWHA want to be clear that the primary problem with DFAT's recent approach is not its decision to defund our own organisations, but its decision to reduce funding for Igat Hope, Kapul Champions and Friends Frangipani by around 50%. This has placed enormous pressure on these organisations at the same time DFAT has removed their access to the support services traditionally provided by AFAO, NAPWHA and Scarlet Alliance.

These decisions are not consistent with the PNG HIV and AIDS Strategy's focus on MSM, transgender people, sex workers and PLHIV. They are not consistent with Australia's statement on strategic priorities for HIV, which clearly mandates an emphasis on MSM, transgender people, sex workers and PLHIV, and that directs DFAT to fill the gaps for these communities. They do not reflect the principles that underpin Australia's own national strategy on HIV and do not reflect what Australia has learned through its experience of over thirty years fighting the epidemic. And they do not seem consistent with Australia's national strategy for aid, most notably the strategy's emphasis on health and social protections for the most marginalised communities, and on cost-effective interventions that prevent the spread of communicable diseases.

It is hard to see these decisions as anything other than the abandonment of DFAT's previously stated commitment to the community response in PNG. This flies in the face of everything Australia has learned through its own HIV response. Australia knows from its own experience that an effective HIV response in PNG will involve dedicated and significant support for the communities most vulnerable to infection. Sadly, DFAT's support for MSM, transgender people, sex workers and PLHIV can no longer be described as either dedicated or significant.

If DFAT had any realistic expectation that the PNG Government would step in to fill the void, then the situation might be different. But DFAT knows that the PNG Government will not support MSM, transgender or sex worker communities, and that its support for PLHIV has been modest at best.

The consequence of DFAT's recent approach is that Australia's past investments in the PNG HIV response are being undermined. Significant amounts have been spent in past years on fostering a community response to HIV, and this money stands to be wasted if support for the community response is not restored.

If Australia's aid program is to be truly evidence-based, and to genuinely reflect the relevant policy framework, then DFAT will need a new direction in PNG. It will need to restore funding to Igat Hope, Kapul Champions and Friends Frangipani and recommit to the independence of these organisations. DFAT needs to reaffirm its position that communities will be most effectively engaged in the PNG HIV response where they are able to speak for themselves, most obviously though he organisations they have established to represent their communities.

It is not too late to rebuild the community HIV response in PNG, but there is no time to waste.

Your sincerely,

Rob Lake

Executive Director, AFAO