IMPACT OF US FUNDING CUTS FOR HARM REDUCTION PROGRAMMES IN INDONESIA

HARM REDUCTION INTERNATIONAL

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Harm Reduction International (HRI) is a leading non-governmental organisation (NGO) dedicated to reducing the negative health, social, and legal impacts of drug use and drug policy. Through research and advocacy, we promote the rights of people who use drugs and their communities to help achieve a world where drug policies and laws contribute to healthier, safer societies. The organisation is an NGO with Special Consultative Status with the Economic and Social Council of the United Nations.

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EXECUTIVE SUMMARY

This report examines the **implications of the reduction and termination of United States (US) funding for harm reduction programmes in Indonesia**, which are mainly channelled through USAID and the Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund). In many countries, harm reduction is often implemented as a parallel or standalone programme, but in Indonesia it is embedded within the national health system, with financing directly integrated into control programmes for HIV and tuberculosis (TB). The Indonesian government, through Minister of Health Regulation No. 23 of 2022 on the Control of Human Immunodeficiency Virus and Acquired Immune Deficiency Syndrome, defines seven essential services for people who inject drugs, who are classified as a key population:

- Sterile needle and syringe services (SSS)[1]
- Methadone maintenance therapy (MMT)[2]
- Prevention of sexually transmitted infections (STIs)
- HIV testing and antiretroviral (ARV) treatment
- TB screening and treatment
- STI screening and treatment
- Hepatitis C screening and treatment

These services have been integrated into the primary health services the government provides. These services are funded through the national and local government budgets (APBN and APBD, respectively) and other funding sources, such as international donor agencies, bilateral and multilateral funding.

Indonesia's overall dependency on US funding is relatively low compared to domestic sources (until the reduction, 11.18% of total HIV, AIDS and TB financing in Indonesia came from the US), and all US-funded services have been integrated into primary healthcare. **However, the US financing decision will still have significant long-term impacts, especially for civil society organisations (CSOs) that work directly with people who use drugs and other key populations. This is because, until now, outreach, peer assistance and community education have been wholly supported by international funding, including from the US.**

1 In general, HRI uses the term 'needle and syringe programme' (NSP), but terms specific to Indonesia are being used for the purposes of this study.

2 As above, HRI uses the term 'opioid agonist therapy' (OAT), but terms specific to Indonesia are being used for the purposes of this study.

Key findings on the impacts of US budget cuts on programmes, grant recipients and people who use drugs are as follows:

01 Some programmes that were fully funded by the US stopped abruptly. This means their targets were not achieved, outputs were not completed, learning was lost and people who use drugs lost the opportunity to obtain their rights.

02 Some programmes reduced their budgets, revised their designs, reduced the scale of their activities or reduced their staff, resulting in a higher workload for the remaining staff and reduced effectiveness in reaching people who use drugs and other target groups.

03 The visible impacts for grantee organisations included staff layoffs, loss of credibility due to sudden programme closures, weakened institutional capacity due to team reductions, changes in work methods, disruption to organisations' long-term missions, strategic disruption and resource restructuring.

04 The situation has also given rise to community-based resilience, the emergence of social entrepreneurship and strategic consolidation among CSOs.

05 **The impacts experienced by people who use drugs include reduced opportunities to learn and build self-awareness, while reduced mentoring and outreach activities mean clients are less able to access services and support. Families and partners of people who use drugs have experienced similar impacts.**

The impacts experienced by people who use drugs include reduced opportunities to learn and build self-awareness, while reduced mentoring and outreach activities mean clients are less able to access services and support. Families and partners of people who use drugs have experienced similar impacts.

This report highlights some potential strategies for the government, CSOs and communities to deploy to sustain and strengthen harm reduction funding. These include:

01	Mobilising domestic resources through national and local government budgets (e.g., APBN/APBD), private sector contributions via corporate social responsibility (CSR) initiatives, and religious or community-based funding, such as zakat (charity). Utilisation of funds from CSR and religious sources is very possible, especially to fund support and rehabilitation activities as well as economic strengthening.
02	Expanding international cooperation and networks beyond the US to support capacity-building and knowledge sharing.
03	Reinforcing collaboration between the government, CSOs and communities to ensure outreach, accompaniment and public education efforts continue.

Sustainable funding mechanisms are crucial for maintaining Indonesia's progress toward national harm reduction and public health targets. Stronger domestic financing, supported by diversified international collaboration, will be key to ensuring the long-term resilience of harm reduction efforts.

HARM REDUCTION PROGRAMMES IN THE CONTEXT OF POLICY AND BUDGETING IN INDONESIA

The development of harm reduction in Indonesia mirrors the evolution of the country's HIV epidemic. The first person diagnosed with HIV in Indonesia was identified in Bali in 1987. Since then, HIV has continued to spread rapidly. By 2024, 630,414 people living with HIV had been identified, of which 0.5% were people who inject drugs. This data formed the basis for including harm reduction in HIV, AIDS and TB programmes.[3] It is worth noting that this integrated approach has implications for research as it is difficult to track funding for harm reduction separately.

In 2002, the Indonesian government issued its first harm reduction policy through Minister of Health Decree No. 996/Menkes/SK/VIII/2002, which outlined guidelines for implementing 'rehabilitation services' for people who use drugs.[4] Shortly after, a memorandum of understanding was signed between the National Narcotics Board (BNN) and the National AIDS Commission.[5]

Subsequently, the Ministry of Health and the Coordinating Ministry for People's Welfare gradually issued various legal instruments related to harm reduction, including:

- Minister of Health Decree No. 567 of 2006 on **Guidelines for the Implementation of Harm Reduction for Narcotics**
- Minister of Health Decree No. 494/Menkes/SK/VII/2006 on **Designation of Hospitals and Satellites for the Pilot and Guidelines of the Methadone Maintenance Therapy Program**
- Minister of Health Decree No. 567/Menkes/SK/VII/2006 on **Guidelines for the Implementation of Harm Reduction for Narcotics, Psychotropics, and Addictive Substances**
- Coordinating Minister for People's Welfare Regulation No. 2/2007 on t**he National Policy for HIV and AIDS Response through Harm Reduction for Narcotics, Psychotropics, and Addictive Substance Users**

3 Ministry of Health of the Republic of Indonesia, (2025), HIV/AIDS & STIs Development Report in Indonesia January-December 2024.

4 Narcotics Law No. 35 of 2009 states that medical rehabilitation is an integrated treatment process to free addicts from drug dependence. Social rehabilitation is an integrated recovery process, encompassing physical, mental, and social recovery, so that former drug addicts can return to their social roles in society.

5 This was formalised through the Joint Decree of the Coordinating Minister for People's Welfare No. 20.KEP/MENKO/KESRA/XII/2003 and the Head of BNN No. B/01/XII/2003 on the establishment of a National Team for the Integrated Effort of HIV/AIDS Prevention and the Eradication of Narcotics, Psychotropics, and Addictive Substances Through Injection.

- Minister of Health Decree No. 486/Menkes/SK/IV/2007 on **Policy and Strategic Plan for the Eradication of Drug Abuse**
- Minister of Health Decree No. 350/Menkes/SK/IV/2008 on **Designation of Supporting Hospitals and Satellite Hospitals for the Methadone Maintenance Therapy Program and its Guidelines**
- Minister of Health Decree No. 378/Menkes/SK/IV/2008 on **Medical Rehabilitation Services in Hospitals**
- Law No. 35 of 2009 on **Narcotics**. This covers all World Health Organization (WHO) standards and is currently under review.
- Minister of Health Decree No. 420/Menkes/SK/III/2010 on **Guidelines for Comprehensive Hospital-Based Therapy and Rehabilitation Services for Substance Use Disorders**
- Minister of Health Decree No. 421/Menkes/SK/III/2010 on **Standards for Therapy and Rehabilitation Services for Substance Use Disorders**
- Minister of Health Regulation No. 57 of 2013 on **Guidelines for the Implementation of the Methadone Maintenance Therapy Program**
- Minister of Health Regulation No. 23 of 2022 on **HIV (Human Immunodeficiency Virus), Acquired Immunodeficiency Syndrome, and Sexually Transmitted Infections Control**
- Minister of Health Decree No. HK.01.07/MENKES/2015/2023 on **Technical Guidelines for the Integration of Primary Health Services**

Through the above regulations, Indonesia has adopted a comprehensive harm reduction approach. This includes:

1. MMT
2. SSS
3. Outreach and peer support
4. Communication, information & education programmes
5. Risk reduction assessment programmes
6. Voluntary HIV counselling & testing
7. Disinfection programmes
8. HIV care and treatment
9. Peer education programmes
10. Safe disposal of used injection equipment
11. Drug dependence therapy services
12. Primary healthcare services

Apart from domestic financing through the state budget (APBN), these harm reduction programmes received support from international donor agencies, such as the Global Fund, USAID, AusAID, UNODC and WHO.

The Minister of Health Regulation No. 23 of 2022 marked a new chapter in strengthening harm reduction programmes. Article 16 of this regulation explicitly states that there are seven essential services for the key population of people who inject drugs (see p.4). The regulation also emphasises the importance of cross-sectoral collaboration in the implementation of community-based services.

Funding for HIV, AIDS and STI prevention can come from the state budget, regional budget and/or other legitimate sources in accordance with statutory provisions (article 42).

The Minister of Health Decree No. HK.01.07/MENKES/2015/2023 on Technical Guidelines for the Integration of Primary Health Care Services has since provided an important opportunity to ensure the sustainability and expansion of harm reduction services. This policy highlights the importance of integrating life-cycle and community health needs-based services into the primary healthcare system through Puskesmas and their networks.[6] Through this decree, drug harm reduction programmes, which were previously considered separate services, were directed to become part of primary health services. Puskesmas are expected to integrate counselling, HIV screening, HIV treatment, TB screening and treatment, psychosocial support, SSS and MMT into their services. If Puskesmas cannot provide these services, they can provide referrals to relevant rehabilitation services or designated hospitals.

This integration is crucial to ensure that harm reduction programmes are not solely dependent on external funding but are institutionalised within the national health system. However, most Puskesmas that have integrated harm reduction into their services are located in densely populated areas.

The integration of drug harm reduction programmes into primary care marks Indonesia's commitment to a human rights-based and evidence-based health approach. This aligns with Indonesia's target to end the HIV epidemic by 2030 and ensure universal health coverage. **Strong policy support from Minister of Health Regulation No. 23 of 2022 and Minister of Health Decree No. 2015 of 2023 demonstrates that drug harm reduction is not merely a temporary strategy but an integral part of the national health system.**

The integration of drug harm reduction programmes into primary care marks Indonesia's commitment to a human rights-based and evidence-based health approach.

6 Puskesmas are government-run community health centres which provide primary healthcare services to the public.

APPROACH TO THE RAPID ASSESSMENT

This assessment was conducted over a rapid two-month period (July and August 2025), a few months after the US cut funding to harm reduction programmes in Indonesia. The study used a mixed methods qualitative approach by combining **desk study and key informant interviews**. A desk study was carried out on available data from the government and NGOs to track changes in funding allocations, along with documents on law, public policy and reports from multiple stakeholders, including national and regional governments, harm reduction partners and the clients of harm reduction programmes. Primary data was collected through 11 key informant interviews with harm reduction service providers, clients and public health officials. Interviewees were representatives from Bebas TB–USAID, Spiritia Foundation, Jaringan Indonesia Positif (Indonesian Positive Network), Indonesian Aids Coalition (IAC), Perkumpulan Keluarga Berencana Indonesia (PKBI), Penabulu Foundation, Rumah Cemara, the Ministry of Health, the Bandung City Health Office, the West Java Health Services Association and the Bandung Methadone Community.

The findings from the desk review and interviews were analysed to identify the impacts of US funding cuts on harm reduction in Indonesia. The analysis also highlighted opportunities for strategic advocacy, plus actions to mitigate these impacts and secure domestic investment in harm reduction. This roadmap of strategies focuses on identifying government allies, leveraging government budgets and exploring alternative financing streams for sustainable harm reduction.

US FUNDING FOR HARM REDUCTION IN INDONESIA

There are three routes through which the US funds harm reduction in Indonesia:

01

Contributing to global financing mechanisms (e.g., the Global Fund) which then disburse funds to recipient countries

02

Funding through USAID Washington, directed to US or international organisations working across countries

03

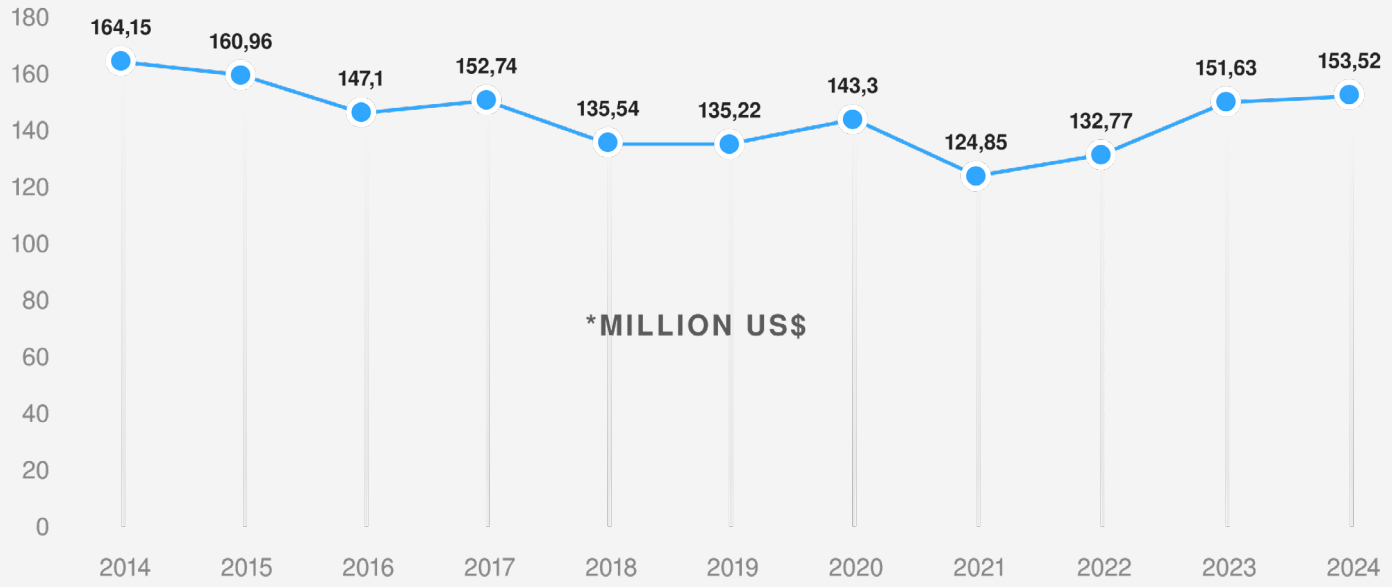
Funding through USAID Indonesia, directed to local organisations or government institutions

This multilayered system is designed to maximise effectiveness, accountability and sustainable impact, while ensuring that assistance aligns both with global development priorities and the specific needs of recipient countries.

US funding schemes in Indonesia

The largest share of US funding for Indonesia comes through USAID. Each year, USAID has disbursed more than US $120 million (approximately Rp 1.95 trillion).

Below is an overview of **US funding in Indonesia over the past 10 years (2014-2024).**



Source: www.foreignassistance.gov by Puskaha Indonesia

Overall, USAID assistance for Indonesia is divided into two categories: aid costs and operational costs. Development assistance falls under the aid costs category.

In 2024, out of the total US $153.3 million (approximately Rp 2.5 trillion) provided by USAID to Indonesia, the majority was allocated to development assistance (US $66.7 million/(approximately Rp1.1 trillion), with the remainder for operational expenses.[7] Several programmes have been implemented with USAID's support, including the anti-corruption programme (USAID Integritas), the capacity-building programme for governance and community participation in Papua and West Papua (USAID Kolaborasi), the plastic waste and environmental management programme (Clean Cities, Blue Ocean) as well as programmes in the health sector, such as USAID MPHD (focused on improving maternal and child health services), USAID PASTI (aimed at reducing child stunting) and USAID programmes targeting TB prevention and treatment.

Funding from the Global Fund is allocated to Indonesia based on specific time periods (funding cycles), according to proposals submitted by the country. For the 2024-2026 period, Indonesia received a grant of US $309 million (approximately Rp 4.6 trillion) for HIV, TB and malaria responses and for resilient and sustainable systems for health programmes. The US itself is the largest donor to the Global Fund, accounting for about one-third of its total funding.[8] This funding also includes support for six essential services for people who use drugs as set out in Indonesia's national regulations.

7 Agnes Z. Yonatan for Goodstats.id, (8 February 2025), 'Rincian Bantuan USAID di Indonesia'. Accessed on 14 August 2025 at https://goodstats.id/article/rincian-bantuan-usaid-di-indonesia-wYZm8

8 BBC News Indonesia, (31 January 2025), 'Bagaimana kebijakan luar negeri Trump mempengaruhi penanggulangan HIV di Indonesia? Accessed on 14 August 2025 at www.bbc.com/indonesia/articles/cy8xvlz35pxo.

THE IMPACTS OF US FUNDING CUTS ON HARM REDUCTION PROGRAMMES IN INDONESIA

US funding through USAID and the Global Fund has significantly influenced Indonesia's efforts in addressing TB and HIV, including the existence of harm reduction measures for people who use drugs.

Several programmes have been initiated or supported by USAID, such as USAID Prevent TB, USAID Bebas TB, USAID Mentari TB Recovery Plan and USAID TB Private Sector. In addition there are Global Fund-funded programmes, which are implemented through the three principal recipients for HIV programmes in Indonesia: the Ministry of Health, Spiritia and Indonesia AIDS Coaltion, while the Ministry of Health and the STPI Penabulu Consortium for TB programmes implements Global-Fund-funded TB programmes.

Through this financial support, the Indonesian government was working to eliminate TB as a public health issue by 2030. This elimination effort focused on accelerating the detection of new cases, targeting 60,000 people newly diagnosed with TB per month (starting in January 2023), ensuring all people diagnosed with TB start treatment, achieving 90% treatment success and ensuring that 58% of people in close contact with people with TB receive preventive therapy to avoid infection. The Indonesian government was also working to eliminate HIV as a public health issue by 2030 by focusing on the 'three zeros': zero new infections, zero AIDS-related deaths and zero HIV-related stigma and discrimination.

Changes in US funding, whether in the form of reductions or outright termination, have directly impacted the implementation of these programmes. The effects are being felt, both directly and indirectly, within the government, CSOs and, most notably, the many people who benefit from HIV and TB programmes. However, since these reductions and withdrawals only began in February 2025, the medium- and long-term impact cannot yet be precisely measured. However, based on data collected through interviews with representatives in government, local authorities, CSOs, communities of people who use drugs and other relevant stakeholders, sudden and unilateral US funding cuts will have a range of consequences for efforts to eliminate TB and HIV and support drug-related harm reduction.

These various consequences arise because each programme was at a different stage of implementation and managed by organisations with varying levels of experience and resilience. Nonetheless, **this study has identified observable general impacts, which can be classified into three interrelated categories, namely: (1) impacts on programme continuity and outcome achievement, (2) impacts on grant-receiving organisations, including institutional**

and operational aspects, (3) impacts on people who use drugs at the community level, who have been the main clients of these programmes.

WHO's Global TB Report 2023 identifies five groups of people who are vulnerable to TB: active smokers, people who are under nourished, people living with HIV, people with diabetes, and people with alcohol dependency.[9] People who inject drugs are at heightened risk of HIV, which means they are also vulnerable to TB. According to the 2025 BNN report, methamphetamine and vare at high risk of contracting TB, people who smoke these drugs are also at heightened risk.[10]

1. Impact on programme continuity and achievement of programme outputs

The drastic policy changes from the US have disrupted the systems, resources and fundamental structures of various programmes that were fully funded by USAID, such as USAID Prevent TB, USAID Bebas TB, USAID Mentari TB Recovery Plan, USAID Integrasi and USAID TB Private Sector. These programmes were halted in their implementation, preventing them from achieving their targeted outputs. For the discontinued programmes, implementation processes that should have produced outputs and learning opportunities were left unfinished, meaning that the existing results could not be compiled, disseminated or further utilised by the public or relevant client groups.

Global Fund-supported programmes have been able to continue through several adjustments. In interviews, Spiritia Foundation, Indonesia AIDS Coaltion and Rumah Cemara reported that, following changes in US funding, the Global Fund has implemented a 9.3% funding reduction for each principal recipient from the reprioritisation process in funding cycle 7, which affected principle recipients, the Country Coordinating Mechanism and civil society groups, including Rumah Cemara. The initial reduction proposed was 15%, as reported by Indonesia AIDS Coaltions, but this was later revised to 9.3% through the reprioritisation process. Principle recipients required sub-recipients and sub-sub-recipients to also adjust their budgets by 9.3%. As a result, all Global Fund grant recipients had to adjust their programmes, including by revising programme designs, redefining priorities and activities, reallocating budgets and reducing support staff. Such adjustments inevitably impact the long-term achievement of programmes. **For example, as part of budget adjustments, several CSOs that employ outreach workers and peer supporters cancelled their recruitment processes for new staff. Consequently, the ratio of outreach/ peer support workers to clients has grown larger, increasing workloads and affecting the quality of the support provided. Although there is no data on the percentage decrease in funding specifically for harm reduction , the funding reduction affected 29 organisations in**

9 World Health Organization, '5.3 TB determinants'. Accessed October 2025 at www.who.int/teams/global-tuberculosis-programme/tb-reports/global-tuberculosis-report-2023/uhc-tb-determinants/5-3-tb-determinants.

10 BNN, (2025), Indonesia Drugs Report. Available at https://puslitdatin.bnn.go.id/konten/unggahan/2025/06/IDR-2025.pdf.

58 cities or districts, which between them had 46 outreach workers supporting people who inject drugs.

Unlike programmes managed by CSOs, government-managed programmes have not been significantly affected because harm reduction initiatives have been integrated into the primary healthcare system across various health facilities. The exception here are services that rely entirely on external funding, such as the procurement of pre-exposure prophylaxis (PrEP) to prevent HIV, although supplies for PrEP had already been secured until 2026 before the cuts took place. This strategy ensures service continuity even as external funding decreases, since these services are not separated from the public health system.

Indonesia itself is considered to have low dependency on US funding. According to Indonesia's 2023 National AIDS Spending Assessment Report (NASA).[11] US bilateral government aid for TB, HIV and harm reduction programmes accounted for only 11.18% of national budgets. Most of Indonesia's funding for TB, HIV and harm reduction currently comes from the national budget (APBN) or from non-US external sources, namely multilateral organisations (18.81%) and international non-profit organisations (0.32%). Furthermore, regional autonomy allows each local government to develop its own strategies according to its fiscal capacity. As a result, changes to US funding are not deemed to have had a significant impact on the implementation of harm reduction programmes, even though US funding support has been considered beneficial from a service delivery perspective.

HIV funding in Indonesia by source (2021–2022)

FUNDING ENTITY	2021	%	2022	%
Domestic Fund	**118,519,521**	**77.36%**	**109,332,214**	**69.69%**
FE.01.01 Governmental	87,631,872	57.20%	65,444,807	41.72%
FE.01.02 Social security institutions	23,869,517	15.58%	28,043,074	17.88%
FE.01.99 Other public n.e.c.	6,226,109	4.06%	14,780,057	9.42%
FE.02.01 Domestic corporations	249,574	0.16%	394,976	0.25%
FE.02.02 Households	363,040	0.24%	495,121	0.32%
FE.02.03 Domestic not-for-profit institutions Fund	179,408	0.12%	174,180	0.11%
International Funding	**34,682,334**	**22.64%**	**47,550,144**	**30.31%**
FE.03.01 Governments providing bilateral aid	12,102,613	7.90%	17,543,333	11.18%
FE.03.02 Multilateral Organizations	21,697,417	14.16%	29,509,168	18.81%
FE.03.03 International not-for profit organizations & foundations	882,304	0.58%	497,643	0.32%
TOTAL	**153,201,854**	**100%**	**156,882,359**	**100%**

Source: NASA Indonesia Report 2023

11 Ministry of Health of the Republic of Indonesia, (2023), National AIDS Spending Assessment Report 2021–2022.

As previously stated, aggregated data for harm reduction services is difficult to find due to their integration into TB and HIV programmes delivered as part of primary healthcare. However, the 2023 NASA Indonesia Report states that total spending on HIV prevention in 2021 and 2022 consistently represented one tenth of total spending (US$17.5 million/approximately Rp 290 billion or 11.4% in 2021, and US$18.8 million/approximately Rp 312 billion or 11.8% in 2022). Within this, programmatic activities for people who inject drugs included harm reduction programmes.

Unlike programmes managed by CSOs, government-managed programmes have not been significantly affected because harm reduction initiatives have been integrated into the primary healthcare system across various health facilities.

2. Impacts on grant recipient organisations

The impact of US funding reductions on grant recipient organisations has varied. For organisations that received funding directly from USAID, programme termination resulted in all staff employed under those programmes being dismissed. For some organisations, these dismissals created legal challenges, as certain practices conflicted with Indonesian labour laws. Beyond labour issues, several CSOs stated that the sudden termination of USAID programmes diminished their credibility with government counterparts and the people and communities being supported by their programmes.

For many CSOs, the end of USAID funding also weakened internal management and institutional capacity, both of which are vital for organisational sustainability. While not all organisations lost human resources entirely, many were forced to downsize teams, alter work methods and adjust internal mechanisms. For CSOs that viewed these programmes as part of their long-term strategic mission, the funding changes disrupted their organisational direction. To them, programmes were not merely operational tools but integral to achieving their vision and mission. In response, many organisations, such as Jaringan Indonesia Positif, had to reassess the goals they had previously pursued through programmes which are now discontinued or adjusted in order to continue advancing their most fundamental priorities within the current context.

This reassessment extended to organisational resources, which has affected team structures. Larger CSOs opted to streamline their teams. Although downsizing increased workloads, this adaptive step was unavoidable given funding constraints. Surprisingly, some community-based organisations (CBOs) were found to be more resilient in responding to the situation. Rooted in a spirit of volunteerism, many CBOs managed to keep operating despite the absence of funding. However, to ensure long-term sustainability, CBOs must be supported through financial resilience strengthening programmes.

Another notable adaptation strategy among CSOs has been the emergence and growth of alternative funding initiatives through social entrepreneurship. For example, PKBI West Java has established businesses, such as clinics, guesthouses and shop rentals. Beyond the urgency

of self-reliance, the shift in US funding has also driven a greater need for inter-organisational consolidation, a key driver of which is the need to strengthen collective bargaining power.

Beyond labour issues, several CSOs stated that the sudden termination of USAID programmes diminished their credibility with government counterparts and the people and communities being supported by their programmes.

3. Impacts on people who use drugs

While the impact on programmes and organisational grantees is mostly related to implementation, the impact on clients lies in the outcomes of those programmes. The clients of various harm reduction programmes have had access to knowledge, support, services and tools that support the seven components of harm reduction, as stipulated by Ministry of Health Regulation No. 23/2022 (see p.4). **The termination and reduction of US funding did not immediately cut off clients' access to healthcare services, but it did reduce the availability and opportunities for services previously supported by those programmes. For example, peer support groups and study clubs which provide learning spaces and psychosocial support for members, have been reduced.** In interviews, people supported by harm reduction programmes reported still being able to access SSS and MMT at designated Puskesmas. A local government interviewee also stated that SSS and MMT services have not been disrupted because they are funded by national and regional budgets.

Harm reduction programmes are not only directed at 'key populations' in HIV and TB responses, such as people who use drugs, but also reach linked communities, including partners, families, social networks and the wider public. Many programmes also include mentoring for health centres and other stakeholders, such as by providing guidance to health workers to strengthen HIV testing and treatment services. This means the impact of funding cuts is not only felt by the groups being directly supported by programmes, but also by other communities that have not yet been identified or do not have adequate access to healthcare services yet are also vulnerable to HIV and TB.

Educational activities, such as training and outreach to prevent harmful practices like condomless sex and sharing injecting equipment, have also been halted, meaning communities at risk of HIV and TB, which should have received prevention information and services, are missing out. People who may not have been direct programme clients but could have benefited from the information-sharing and field experience that came from these programmes are also affected.

This means the impact of funding cuts is not only felt by the groups being directly supported by programmes, but also by other communities that have not yet been identified or do not have adequate access to healthcare services yet are also vulnerable to HIV and TB.

FUNDING STRATEGIES FOR HARM REDUCTION: OPPORTUNITIES AND CHALLENGES AHEAD

Indonesia's relatively low dependence on US funding has, in the short term, shielded the country from the impact of funding cuts and reductions. But in the long term, direct and indirect consequences are expected. This is especially true given that outreach, mentoring and public education programmes, which form the core work of CSOs, have been severely affected. Both the government and CSOs must begin to consider and develop sustainable exit strategies from US funding. Some strategies and funding opportunities which can be further developed are outlined below.

1. Strengthening domestic funding

Efforts must be made to strengthen funding from domestic sources. One way this can be done is by integrating harm reduction programmes into national and local government budgets (APBN and APBD). Mobilising funds from the private sector and from community-based social resources should also be explored.

1.1 Integrating programmes and activities into APBN and APBD

The government's decision to integrate harm reduction programmes into primary health services is a strategic one. However, harm reduction is not limited to MMT, SSS and PrEP, but also encompass social and economic support, such as access to decent jobs and social security. People who use drugs often lose access to education[12] and employment and end up living below the poverty line. It is therefore crucial to begin integrating harm reduction more holistically with non-health services, such as education, labour and social services. Doing this can improve people's

12 Antara Kalsel, (2 February 2025), 'Enam Pelajar Dikeluarkan Karena Narkoba'. Accessed on 15 August 2025 at https://kalsel.antaranews.com/berita/24169/enam-pelajar-dikeluarkan-karena-narkoba.

lives by addressing the socio-economic determinants of health through improved access to things such as employment or housing.[13]

The biggest challenge in utilising and integrating harm reduction programmes into national and local budgets is the government's limited fiscal capacity. However, this challenge can be addressed by optimising existing development programmes. For example, economic support for people who previously used drugs does not require a separate programme, but can be incorporated into existing job training or economic empowerment programmes managed by the Department of Manpower or the Department of Social Affairs. Strong government commitment is needed to identify the needs of communities affected by drug-related harms and integrate them into existing government programmes.

It is therefore crucial to begin integrating harm reduction more holistically with non-health services, such as education, labour and social services.

1.2 Encouraging the use of CSR funds

Efforts to strengthen domestic funding can also be pursued by encouraging private sector involvement through CSR programmes. CSR obligations for companies are regulated by several laws and regulations.[14] In this context, the government can act as a mediator, linking CSOs or CBOs that work on harm reduction with the private sector.

Funding opportunities through CSR are substantial, and amount to about 1-2% of a company's net profits (percentages vary by region, depending on local government policies). This means CSR funding can reach up to US$57.88 billion (approximately Rp 96 trillion) annually.[15] These CSR funds can be used to finance community-based social and economic support programmes for people who use drugs or to strengthen CSOs' financial independence, enabling them to plan more sustainable outreach and mentoring activities.

13 BNN.go.id, (25 January 2013), 'BNN Pacu Produktivitas Mantan Pecandu'. Accessed on 15 August 2025 at https://bnn.go.id/bnn-pacu-produktivitas-mantan-pecandu.

14 Such as Law No. 40 of 2007 on Limited Liability Companies, and Government Regulation No. 47 of 2012 on Soial and Environmental Responsibility of Limited Liability Companies (PP 47/2012).

15 Frans Dione for IPDN Jakarta, (date not given), 'Rp96 Triliyun Lebih: Potensi Dana CSR di Indonesia'. Accessed on 15 August 2025 at https://jakarta.ipdn.ac.id/?p=1632.

1.3 Encouraging the use of community and religious social funds

Another domestic funding opportunity lies in the utilisation of community and religious social funds, such as zakat which is managed by the National Zakat Agency (Baznas). In 2024, Baznas reported collecting a total of US$2.47 billion (approximately Rp 41 trillion) in zakat nationwide, while the national zakat potential is estimated at US$197.17 billion (approximately Rp 327 trillion).[16] In a similar way to the utilisation of funds from CSR, mobilising funds from religious sources is very possible, especially to fund support activities as well as economic strengthening.

The biggest challenge for CSOs and CBOs working on harm reduction is stigma and discrimination against people who use drugs. In this regard, the government can play a role as mediator between CSOs or CBOs and zakat-managing institutions. Similar to CSR funds, zakat funds can be directed to finance community-based social and economic support programmes, or to strengthen CSOs' financial independence so they can plan more sustainable outreach and mentoring activities.

2. Encouraging broader international cooperation and networking

Data from NASA Indonesia 2023 shows that the US is not the only country supporting TB, HIV and harm reduction efforts in Indonesia. Of total international funding, contributions from the US account for only about 36.89% of funds provided, while the rest comes from various other multilateral organisations.

16 Kurnia Yunita Rahayu for Kompas.id., (27 March 2025), 'Potensi Zakat Rp 327 Triliun, yang Terkumpul Baru Rp 41 Triliun'. Accessed on 15 August 2025 at www.kompas.id/artikel/potensi-zakat-rp-327-triliun-yang-terkumpul-baru-rp-41-triliun.

Sources of HIV funding in Indonesia (USD, 2021–2022)

FUNDING ENTITY	2021	%	2022	%
FE.03.01 Governments providing bilateral aid	**12,102,613**	**34.90%**	**17,543,333**	**36.89%**
FE.03.01.30 Government of United States	12,102,613	34.90%	17,543,333	36.89%
FE.03.02 Multilateral Organizations	**21,697,417**	**62.56%**	**29,509,168**	**62.06%**
FE.03.02.04 International Labour Organization (ILO)	269,613	0.78%	160,667	0.34%
FE.03.02.07 The Global Fund to Fight AIDS, Tuberculosis anc 17,662,836 Malaria	17,662,836	50.93%	25,042,254	52.66%
FE.03.02.08 UNAIDS Secretariat	2,869,462	8.27%	3,525,074	7.41%
FE.03.02.09 United Nations Children's Fund (UNICEF)	352,608	1.02%	418,972	0.88%
FE.03.02.10 United Nations Development Fund for Womer (UNIFEM)	322,440	0.93%	125,190	0.26%
FE.03.02.11 United Nations Development Programme (UNDP)	38,495	0.11%	15,808	0.03%
FE.03.02.13 United Nations High Commissioner for Refugees (UNHCR)	11,590	0.03%	17,669	0.04%
FE.03.02.16 United Nations Office on Drugs and Crime (UNODC)	95,045	0.27%	104,795	0.22%
FE.03.02.17 United Nations Population Fund (UNFPA)	75,327	0.22%	98,739	0.21%
FE.03.03 International not-for-profit organizations anc foundations	882,304	2.54%	497,643	1.05%
FE.03.03.99 Other International not-for-profit organization: and foundations n.e.c.	882,304	2.54%	497,643	1.05%
TOTAL INTERNATIONAL FUNDING	**34,682,334**	**100%**	**47,550,144**	**100%**

Source: NASA Indonesia Report 2023

The push for broader international cooperation and networking is particularly important to support substitution-type programmes, such as organizational strengthening, capacity building for the staff and networking activities.

3. Integration and collaboration: towards more sustainable harm reduction funding

As previously stated, in Indonesia the termination and reduction of US funding since February 2025 has not significantly affected harm reduction programmes. This because Indonesia's level of dependency on US funding is not particularly high and because harm reduction has already been integrated into the primary healthcare system through Puskesmas and hospitals. However, specific impacts are being felt by various CSOs and CBOs working on harm reduction issues. These organisations and communities typically conduct outreach, accompaniment and education efforts for people who use drugs as direct clients, and also indirectly benefit the general public.

Strengthening and promoting the utilisation of domestic funding sources is one of the long-term solutions that must be pursued. Optimisation of programmes funded through the national (APBN) and regional (APBD) budgets can be done by integrating harm reduction into existing government programmes. The work carried out by civil society and community organisations is crucial to achieving nationally-set targets for harm reduction and the elimination of TB and HIV as public health issues. This means a more sustainable funding strategy is needed to ensure this work can continue.

Civil society and community organisations most affected by the funding cuts need to be supported to develop more sustainable organisational funding strategies. This support is required both from the government and international organisations that still provide programme funding in Indonesia to help strengthen the capacity of these civil society and community organisations so they are able to identify and benefit from other funding sources.

In the short term, by 2026, **the most urgent response to the funding cuts should be to ensure harm reduction programmes continue through strengthened domestic funding and diversified resource mobilisation.** Seeking external funding alternatives remains an essential strategy. CSOs can strengthen their advocacy by writing a joint letter with the global community to push for renewed international funding commitments while also highlighting HIV and harm reduction programmes.

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Another key strategy is to integrate harm reduction into national and local budgets by positioning it as part of broader development priorities, while encouraging the implementation of sustainable HIV programmes, including harm reduction, within the holistic health system. To advance this, CSOs can draft policy briefs and evidence-based analyses which highlight the contribution of harm reduction to public health and social development.

It is crucial to mobilise alternative domestic resources, particularly from the private sector and community-based mechanisms, such as CSR, zakat or religious social funds. In the short term, this can be achieved through:

01 Workshops for CSOs on how to map private companies with strong CSR portfolios in health, youth and community welfare and strengthen negotiation and communication skills.

02 Multi-stakeholder meetings, audience sessions and roadshows to connect CSOs with potential private and community-based partners.

03 Developing partnership proposals or agreements with private sector actors, community organisations and religious institutions to secure shared commitments.

Another critical strategy is to strengthen CSOs' and CBOs' financial independence and resilience, which will allow these organisations to maintain essential outreach, accompaniment and mentoring services. Concrete actions include knowledge-sharing webinars with partners from other countries who are facing similar challenges, such as the Philippines and Kenya, to exchange lessons and strategies. Strengthening organisational capacity to establish social enterprises is also crucial, enabling CSOs to diversify income streams and gradually build self-sustaining financial mechanisms.

GLOSSARY

AIDS	Acquired Immunodeficiency Syndrome: Advanced stage of HIV infection where the immune system is severely weakened.
APBN	Anggaran Pendapatan dan Belanja Negara: The national budget allocated by the central government of Indonesia.
APBD	Anggaran Pendapatan dan Belanja Daerah: The regional/provincial budget managed by local governments.
Baznas	Badan Amil Zakat Nasional (the National Zakat Agency): Official body managing zakat (Islamic charitable funds) in Indonesia.
CBO	Community-Based Organisation: a group led by or meaningfully involving people from the population group or community affected by the issues being addressed.
CSO	Civil Society Organisation: Non-governmental groups that implement outreach, education and advocacy, especially in health and harm reduction.
CSR	Corporate Social Responsibility: Company obligation/programmes to support social and environmental initiatives; often a funding source for communities.
HIV	Human Immunodeficiency Virus: Virus that attacks the immune system and can lead to AIDS if untreated.
MMT	Methadone Maintenance Therapy: Opioid agonist therapy programme using methadone to reduce harm among people who are dependent on opioids.
NASA	National AIDS Spending Assessment: A financial tracking system to assess spending on HIV prevention and treatment.
SSS	Sterile needle and Syringe Services: Harm reduction service providing sterile injecting equipment to prevent HIV, hepatitis and other infections.

PrEP	Pre-Exposure Prophylaxis: Medication which prevents HIV infection if taken before exposure; provided to HIV-negative people at high risk of infection.
Puskesmas	Pusat Kesehatan Masyarakat (community health centre): Government-run primary healthcare facility, key in delivering HIV, TB and harm reduction services.
STI	Sexually Transmitted Infection: Infections transmitted through sexual contact, such as syphilis, gonorrhoea or chlamydia

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