Independent observer of the Global Fund

Global Fund Observer

NEWSLETTER

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Starting in January 2016, a new regional initiative will be implemented to respond to drug-resistant TB epidemics in Eastern Europe and Central Asia. This is a first regional TB initiative funded by the Global Fund in the EECA.

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On 30 October, the Office of the Inspector General released a report on its investigation into the procurement and distribution of nearly two million counterfeit bed nets in Burkina Faso valued at € 9 million. The OIG found that two local wholesalers provided the counterfeit nets and that the PR and the Secretariat bore some responsibility for what happened.

8. NEWS: Problems persist in the management of the supply chain in Ghana: OIG audit

In an audit report on grants to Ghana, the Office of the Inspector General identified weaknesses in managing programs, health services, and products, and in risk management. The OIG also found challenges in data collection and reporting but rated financial and fiduciary management as effective.

9. NEWS: More attention should be paid to data collection and use, authors say

The authors of a paper published by the Center for Strategic International Studies say that there is a lack of data to guide smart investment decisions at the Global Fund, and that the Fund needs to accord a much higher priority to data collection and use.

10. ANALYSIS AND COMMENTARY: Building the capacities for Guinea's SRs will be challenging

When the Global Fund recently signed a $62.7 million HIV grant with Guinea, Bertrand Kampoer says, weaknesses in the capacity of implementers, particularly sub-recipients, had already been identified as one of the grant's main challenges.

11. NEWS: EHRN issues another report on how harm reduction programs are affected when the Global Fund pulls out of a country

A report on Bulgaria released by the Eurasian Harm Reduction Network is the second in a series of case studies on the impact on harm reduction programs when the Global Fund withdraws support.

12. ANNOUNCEMENT: Nominations sought for three positions on the Developed Country NGO Delegation

The Developed Country NGO Delegation to the Global Fund Board is seeking nominations for three positions on its delegation.

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1. NEWS: Global Fund has no immediate plans to promote the inclusion of the new malaria vaccine in the programs it supports

There are concerns about whether the vaccine can be effectively implemented

Nathalie Abejero and David Garmaise *3 November 2015*

For now, the Global Fund board has no plans to promote the inclusion of the new malaria vaccine, "RTS,S", into the malaria programming it supports. Although the vaccine shows promise, there are concerns about how it can be effectively administered.

The vaccine, whose trade name is Mosquirix, was developed through a partnership between GlaxoSmithKline Biologicals and the PATH Malaria Vaccine Initiative. It acts against *Plasmodium falciparum*, the deadliest malaria parasite and the most prevalent in Africa. Clinical trials in sub-Saharan Africa over a four-year period showed it to be safe and effective, reducing malaria cases in young children by up to 36%. It is the world's first malaria vaccine.

Two World Health Organization advisory groups – the Strategic Advisory Group of Experts on Immunization and the Malaria Policy Advisory Committee – have recommended against the immediate widespread use of the vaccine. Instead, they have called for pilot implementation in 3-5 countries in sub-Saharan Africa.

In a joint statement on 23 October, the Global Fund and Gavi said that they would wait to see what the WHO itself recommends before deciding whether and how to proceed.

There are several reasons for the caution. Some of them were summarized in an article by Seth Berkley, CEO of Gavi, and Mark Dybul, Executive Director of the Global Fund, published on the Fund's website on 29 October.

Mosquirix requires four doses, a lot for a vaccine. The clinical trials suggest that its already low efficacy is further reduced if the fourth dose is not administered, down to about 28% protection against clinical malaria and down to nearly zero in severe cases of malaria. “That is worrying,” the authors said, “because, typically, the more doses required of a vaccine the higher the dropout rate.”

Mosquirix presents challenges in terms of how reliably the vaccine can be administered. To achieve maximum effect, it should be given to children from five months, with the fourth dose given around the age of two. “This is out of sync with the typical immunization schedule for children in poorer countries, who are brought in for routine vaccination when they are six to 14 weeks old,” the authors said.

But even if high coverage can be achieved, the authors said, “there is still a danger that news of the vaccine will give people a false sense of security and lead to a reduction in the use of other malaria interventions, which would be tragic.” Insecticide treated bednets and anti-malarial medicine have already led to a 37% global decrease in malaria cases since 2000, and a 60% decline in the malaria mortality rate.

“Mosquirix is no magic bullet and at best may prove to be a useful complementary tool in reducing malaria, but only one of many already being used,” the authors concluded.

In its statement on 23 October, the Global Fund said it is continuing to work with Gavi to plan for the possible use of a malaria vaccine “if recommended by the WHO and if the Gavi and Global Fund Boards decide to support the vaccine in conjunction with other proven malaria interventions.”

If the Global Fund and Gavi decide to promote the use of the vaccine, they will likely opt to support a pilot implementation as recommended by the WHO advisory groups.

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2. NEWS: New CSO-KAP-PLWD Forum in Lao PDR will provide civil society with a voice in national programs

Forum will play a role in monitoring grant implementation

Emelita Santos Goddard *3 November 2015*

The Lao civil society sector has been strengthening its engagement with the country coordinating mechanism. A Forum of Civil Society Organizations, Key Affected Populations, and People Living with the Diseases was initiated in early 2015 under the leadership of Dr Soulany Chansy, who is from the Lao Red Cross and is vice-chair of the CCM. The CCM secretariat provided support.

The leaders of the CSO-KAP-PLWD Forum are hopeful that this will make a difference in enhancing the voice of the key affected populations and communities affected by HIV, TB,

and malaria, so that their priorities will be heard in current and future dialogues with different stakeholders to inform national programs and strategies.

The Forum will consolidate the engagement of CSOs and will be a platform for wider participation of KAPs and PLWDs.

In the context of civil society in Laos, the establishment and the strengthening of the Forum is a strategic move and an exciting development to observe. As expressed by a key leader of the Forum:

> "There is a need for a genuine cooperation and partnership among CSOs, KAPs and PLWDs Effective coordination of these key players will help ensure that the needs and priorities of local communities, PLWDs and KAPs are appropriately addressed in the national strategies and programs. Their capacity building for dialogues will also improve the participation and aid effectiveness of investments to the high risk groups. In addition, coordination of representation of CSOs, KAPs and PLWDs will bring about more balanced membership and representation in the CCM."

Representatives of the CSOs, KAPS and PLWDs have met several times to iron out the terms of reference of the Forum and to ensure that it is structured in a way that will enable it to function well. This process was facilitated by the French Red Cross through a project funded by the French 5% initiative.

There is optimism about the future impact of the Forum. The members of the Forum envision CSOs, KAPs, and people living with HIV, TB, and malaria having access to high quality treatment, health products, services, and information. CSO members view the Forum as a means to provide a space for open discussion of common issues, free expression of opinions, sharing of information and collaboration among members. The role of the Forum in monitoring grant implementation – which it is hoped will lead to increased transparency in reporting – is expected to contribute to increased learning, accountability, and program effectiveness.

Currently, nine of the 24 seats on the CCM are allocated to CSOs: local non-profit associations (3), PLWDs (3), peer educator for KAPs (1), and international NGOs (2). However, through the Forum, the representation of KAPs will be broadened to include key populations that are not officially recognized in Lao PDR. These include sex workers' groups, transgender groups and people who use or inject drugs.

The key objectives of the Forum for this coming two years are:

- to improve the representation, communication, coordination and reporting of CSOs, KAPs and PLWDs to the CCM; and
- to strengthen the engagement of CSOs, KAPs and PLWDs by building their capacity for meaningful dialogue at all levels (national, provincial, and community).

A technical assistance group, made up of international NGO representatives will provide support to the Forum. There will be four task groups, covering HIV, TB, malaria, and health

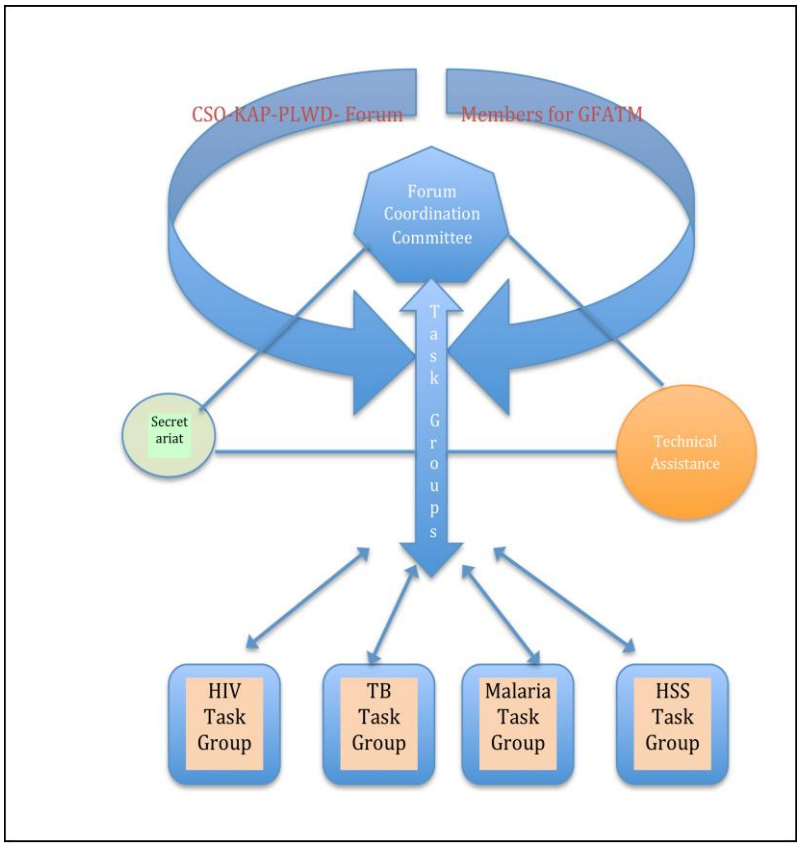
systems strengthening. Each task group will include at least one Forum member or coordination committee member. (See the Figure.)

The CSO-KAP-PLWD Forum will be coordinated by a coordination committee comprised of nine elected members and nine elected alternates. The committee will aim for gender and constituency-balanced representation, following an inclusive and transparent process of election.

The coordination committee, which will have a seat on the CCM, will represent the interest of the Forum with respect to both the CCM and other Global Fund–related processes in Lao PDR.

In order to be effective, Forum members will have to overcome challenges, such as: a limited availability of resources at all levels; limited organizational capacity of the community-based organizations and networks of key affected populations (including limited institutional, fundraising and operating capacities, especially among groups that are not beneficiaries of Global Fund-funded programs); and a limited understanding of the importance of the role of KAPS and PLWDs in helping to improve the effectiveness and impact of the national program.

Figure: How the CSO-KAP-PLWD Forum will be structured



Laos' unique landscape and ethnic diversity also pose challenges with respect to accessing information and to communications between the affected communities and the Forum.

The Forum is supported by the CCM's budget and co-funded by the French 5% Initiative.

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3. NEWS: Global Fund Board to review progress towards meeting KPI targets at November meeting

The KPIs have been modified several times since they were introduced a decade ago

Mary Lloyd *2 November 2015*

Detailed assessments of how well the Global Fund has performed against 13 key performance indicators will be presented to the Fund's Board at its 34th meeting on 16-17 November. The Board will also review the 2016 performance targets for 10 of the indicators, and one additional sub-indicator that measures the efficiency of the Fund's investment decisions.

But Andrew Kennedy, the Global Fund's Manager of Strategic Controlling, told GFO that the first KPI results under the current system were only presented last November, so there has been relatively little time to rectify any problems that have been identified. "KPIs are most useful where you have data over a number of years," he said. He also noted that the November 2014 and March 2015 reports didn't identify many major performance problems.

The Global Fund began using KPIs in 2004, when 14 indicators were developed, so that "a clearly-defined and rigorous process" could be put in place to objectively appraise performance at the Fund.

Results are reported quarterly to the Fund's Management Executive Committee, and twice a year to the Board and Board committees.

Kennedy said the MEC currently uses the KPIs to drive the Secretariat to achieve the five objectives set out in the 2012-2016 Strategy. "The Board and committees use them as a means of maintaining oversight of the Secretariat and the wider global fund partnership, and ensuring that action is taken to resolve any problems that are identified," he said.

However, since the Fund started using KPIs ten years ago, they have been modified several times, sometimes by adjusting how they are measured, sometimes to better align with changes in the Fund's corporate priorities, and other times by completely abandoning earlier metrics and instituting new ones.

According to Fund documents, the original set of KPIs were revised in 2006, and again in 2008, such that by 2009 they had become a set of 24 indicators.

Whereas the 2006 set tracked the development of the Fund's strategy and business model, the scale-up of interventions, grant performance, the impact of investments, and progress towards putting in place efficient internal systems, the 2009 framework examined operational performance, grant performance, system effects, and impact.

A year after this set was put in place, the KPIs were substantially changed once more when the Policy and Strategy Committee asked for an independent review to assess "the continued appropriateness of the framework for monitoring grant and Secretariat performance."

That time, it was decided the KPIs should align with the 2012-2016 Global Fund Strategy, and should monitor that plan's goals, targets, and objectives.

It was acknowledged that some of the old KPIs could be retained, but also that new ones were "required to measure progress in prioritizing and targeting resources to countries, most affected populations, and most cost effective interventions," Kennedy said.

Five years on, the creation of a revised set of KPIs is still a work in progress.

In early 2013, the Board Coordinating Group asked the chairs of the three Board committees and the chair of the Technical Evaluation Reference Group to work with the Secretariat to put together another revised KPI framework.

A working group drove this process, consulting with senior management and seeking input from partners, including the the World Health Organization, UNAIDS, PEPFAR, the (U.S.) President's Malaria Initiative, the (U.S.) Centers for Disease Control, and the World Bank.

The Audit and Ethics Committee, the Strategy, Investment and Impact Committee, and the implementer and donor blocs of the Board also had input into the final set of 16 KPIs, which were approved by the Board last November.

Kennedy pointed out that KPIs are intended to monitor implementation of an organization's strategies and priorities, and therefore must evolve as the organization develops. "The Fund is still a relatively young organization and we're only now reaching maturity where we might see some of these measures continue over a number of years," he said.

A number of the current KPIs were carried over from previous frameworks, but the precise indicators may "shift in definition over time to reflect changes in the business model," Kennedy said.

Changing the definition of indicators or altering them altogether can reduce their effectiveness, making it harder for an organization to gauge progress over time, but Kennedy said this is not always the case.

At the 25th Board meeting in November 2011, reporting on the mid-year progress of the 2011 KPIs, the Policy and Strategic Committee noted "the deteriorating performance of four grant-related indicators, and the negative impact of this deterioration on the achievement of the mission of the Global Fund."

Although those KPIs were soon supplanted by the current set, Kennedy said the indicators in question were retained in one way or another, and the issues identified were rectified to a large extent. They were addressed through some of the initiatives put in place to transform the Fund, including efforts to fix "stuck" grants, an overhaul of the Fund's financial systems, and the new funding model.

Among the KPIs that have remained fairly consistent over various iterations, Kennedy said the ones that have measured service delivery and grant financial data have been particularly useful.

According to Kennedy, some indicators in the current set have already delivered enough information to identify and rectify problems. He said the data collected have prompted the Global Fund to change the way it does risk assessments on human rights, and have contributed to priority setting and budget allocations for the 2016 Secretariat work plan.

The current set of KPIs is expected to remain in place until the end of the next year, when a new strategy for the coming years will be implemented. Kennedy said it is likely that many of the indicators will be carried over into subsequent frameworks because there is expected to be "considerable continuity" between the 2012-2016 strategy and the one that will follow.

Kennedy said that he expected that some indicators will be dropped, however, because they are not useful enough, and that others will be delegated to the Secretariat for monitoring because the new strategy will have altered priorities.

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4. NEWS: Emails released by the U.S. State Department contradict statements by the Fund concerning the resignation of Michel Kazatchkine in 2012

David Garmaise *3 November 2015*

According to a news report by *Agence France Presse (AFP)*, a series of emails recently released by the U.S. State Department from the period when Hillary Clinton was Secretary of State contradict claims by the Global Fund that Michel Kazatchkine's resignation as Executive Director in March 2012 had nothing to do with allegations that the Fund awarded a $2.8 million contract without proper procurement procedures having been followed.

The emails were written by U.S. officials.

The contract related to services to support the *Born HIV Free* campaign in 2010, in which Carla Bruni-Sarkozy, the Global Fund's unpaid Ambassador for Protecting Women and Children Against AIDS, and wife of the President of France, featured prominently.

The allegations first surfaced a few months before Kazatchkine resigned. At the time, Simon Bland, the chair of the Global Fund said that all procurement procedures for the contract had been handled correctly. He also said that the allegations were not a factor in the events that led to Kazatchkine's resignation. GFO reported on the allegations and on the chair's statements here.

The Clinton emails quoted Eric Goosby, who was then U.S. global AIDS coordinator, as saying that "the French and EC (European Commission) representative threw [Michel Kazatchkine] under the bus when the board chair presented a letter to the board from the [Chief Financial Officer] that referred to unapproved funds at $2.8 million for FLO Fr" (a

reference to Bruni-Sarkozy as first lady of France). “We had the votes anyway after the personnel review but this made it unanimous,” Goosby is quoted as saying in the emails.

In its article, GFO cited several Board members as saying that an assessment of Kazatchkine’s performance “contained strong criticisms of his performance as a manager.”

The Global Fund declined GFO’s invitation to comment on this article.

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5. NEWS: Malawi grants receive more than two-thirds of the $620 million in funding approved by the Board in October

In all, 22 grants from 11 countries and five regional organizations were approved

David Garmaise *28 October 2015*

In October 2015, the Global Fund Board approved $620 million in funding for 22 grants emanating from concept notes submitted by 11 countries and five regional organizations. The Board was acting on recommendations from the Grant Approvals Committee and the Technical Review Panel.

Included in the $620 million was $55 million in incentive funding. In addition, the Fund placed interventions worth $77 million in the registry of unfunded quality demand.

Of the $620 million total, $574 million was for country grants (see Table 1) and $46 million was for regional grants (see Table 2).

Most of the country grants were relatively small, except for Malawi which received $389 million for TB/HIV and a further $49 million for malaria.

The GAC said that the major risk to the TB/HIV program in Malawi is the lack of capacity of the health workforce, in terms of numbers, qualifications, and geographic distribution; and that these problems need to be addressed if antiretroviral therapy and active TB case finding are to be scaled up. However, the GAC revealed, the government has frozen recruitment of civil servants, including the 1,222 health workers it had planned to hire in 2015-2016. The GAC said that the Global Fund was part of a broader effort to unfreeze these positions; and that it was informed that this grant “will contribute to funding the health workforce with other partners through potential savings found during grant implementation,” including from reductions in the cost of commodities projected by the Fund’s pooled procurement mechanism.

Table 1: Funding for country grants approved by the Global Fund, October 2015 ($ million)

Country (component)	Grant name	Principal recipient	Approved Funding			Of which, incentive funding	Added to UQD register
			Existing	New	Total		
Azerbaijan (TB)	AZE-T-MOH	Ministry of Health	4.6 m	6.4 m	11.0 m	NIL	NIL
Bangladesh (HIV)	BGD-H-NASP	National AIDS STD Programme	NIL	0.7 m	0.7 m	10.2 m	2.3 m
	BGD-H-SC	Save the Children	1.9 m	5.9 m	7.8 m		
	BGD-H-ICDDRB	Int. Centre for Diarrhoeal Dis. Res.	2.1 m	3.7 m	5.8 m		
Cape Verde (TB/HIV)	CPV-C-CCSSIDA	Coord. Comm. Of Fight Against AIDS	0.2 m	2.4 m	2.6 m	NIL	0.2 m
Comoros (Malaria)	COM-M-PNLP	Prog, Nat. de Lutte Contre le Paludisme	1.8 m	5.2 m	7.0 m	0.4 m	NIL
Dominican Rep. (HIV)	DOM-H-CONAVIH	Consejo Nacional para el VIH el SIDA	6.7 m	3.9 m	10.6 m	NE	NIL
	DOM-H-IDCP	Instituto Derm. Y Cirugía de Piel	NIL	9.7 m	9.7 m		
Haiti (HIV)	HTI-C-PSI	Population Services International	1.9 m	43.1 m	45.0 m	NIL	NIL
Lao PDR (HIV)	LAO-H-GFMOH	Ministry of Health	2.1 m	6.3 m	8.4 m	1.3 m	0.8 m
Lao PDR (HSS)	LAO-S-GFMOH	Ministry of Health	NIL	3.7 m	3.7 m	NE	NIL
Malawi (Malaria)	MWI-M-MOH	Ministry of Health	27.2 m	15.8 m	43.0 m	5.2 m	NIL
	MWI-M-WVM	World Vision Malawi	NIL	5.5 m	5.5 m		
Malawi (TB/HIV)	MWI-C-MOH	Ministry of Health	106.7 m	282.1 m	388.8 m	37.2 m	70.0 m
Panama (TB/HIV)	PAN-C-UNDP	UNDP	1.3 m	5.9 m	7.2 m	NIL	NIL
Sri Lanka (Malaria)	LKA-M-MOH	Ministry of Health	3.7 m	3.7 m	7.4 m	NIL	NIL
Zanzibar (TB/HIV)	QNB-C-MOH	Ministry of Health	1.1 m	9.1 m	10.2 m	0.7 m	0.3 m
TOTALS			**161.3 m**	**413.1 m**	**574.4 m**	**55.0 m**	**73.6 m**

The grants to Cape Verde and Comoros were in euros which we converted to dollars at the rate of 1.1082.
Discrepancies in totals due to rounding.
NE = Not eligible.

Regarding Malawi's malaria grant, the GAC said that the major risk to the program is the discrepancy between malaria cases and consumption of artemisinin combination therapy. The GAC noted that the Ministry of Health had developed an action plan to address this issue, with support from partners and the Secretariat.

The following are brief extracts from what the GAC said about some of the other country grants it was recommending for approval:

Bangladesh (HIV). The grant will include capacity building for implementing partners and "high-level advocacy for creating an enabling environment."

Cape Verde (TB/HIV). People who use drugs are identified as a priority group for ART. In addition, the grant will include measures to advocate for the establishment of "an appropriate ethical framework and legal environment" to permit safe access to treatment and care.

Dominican Republic. The grant in heavily focused on reducing new infections in key populations and increasing life expectancy for people living with HIV. Education programs that emphasize human rights, gender equality and respect for different sexual orientations and gender identities are planned.

Haiti (TB/HIV). Health care workers will be trained on prevention measures for sex workers and men who have sex with men.

Lao PDR (HIV). The grant will focus on scaling up interventions for sex workers and men who have sex with men.

Lao PDR (HSS). The grant will assist in furthering the goal of the Health Sector Reform Framework 2015 to 2025 to achieve universal health coverage by the latter date.

Panama (TB/HIV). The grant will provide prevention services and HIV diagnosis among key populations; strengthen human resources from civil society and the public health system; and also focus on removing legal barriers and promoting human rights.

Zanzibar (TB/HIV). Targets for 2017 include increasing the percentage of HIV-positive pregnant women who receive ART from 70% in 2014 to 90%; and increasing HIV prevention program coverage from 19% to 82% for men who have sex with men, from 54% to 82% for people who inject drugs, and from 17% to 83% for sex workers.

Table 2: Funding for regional grants approved by the Global Fund, October 2015 ($ million)

Applicant	Com-ponent	Grant name	Approved funding			Added to UQD register
			Existing	New	Total	
Abidjan-Lagos Corridor Organization (OCAL)	HIV	QPF-H-ALCO	8.7 m	0.7 m	9.4 m	0.5 m
African Network for the Care of Children Affected by HIV/AIDS (ANECCA)	HIV	QPA-H-ANECCA	NIL	3.7 m	3.7 m	NIL
ECSA-HC Uganda Supranational National Reference Laboratory	TB	QPA-T-ECSA	NIL	6.1 m	6.1 m	NIL
East Europe & Central Asia Union of People Living with HIV	HIV	QMZ-H-ECUO	NIL	4.5 m	4.5 m	NIL
Humanist Institute for Cooperation with Developing Countries, Southern Africa (HIVOS)	HIV	QPA-H-HIVOS	NIL	11.4 m	11.4 m	2.7 m
Removal of Legal Barriers (RLB)	HIV	QPA-H-UNDP	NIL	10.5 m	10.5 m	NIL
TOTALS			**8.7 m**	**36.9 m**	**45.6 m**	**3.2 m**

The QPF-H-ALCO and QMZ-H-ECUO grants were in euros which we converted to dollars at the rate of 1.1082. Discrepancies in totals due to rounding.

The removing legal barriers regional grant was described in GFO here. Summaries of four of the other five regional grants – all except ECSA-HC Uganda – are provided in GFO here.

Information for this article comes from two reports of the Secretariat's Grant Approvals Committee to the Board (GF-B33-ER14 and GF-B33-ER15). These document are not available on the Fund's website.

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6. NEWS: EECA regional initiative will address drug-resistant TB

A multi-stakeholder consortium will implement the initiative in 11 countries starting in January 2016

Tinatin Zardiashvili *3 November 2015*

One of the grants recently approved by the Global Fund is the first ever regional TB grant in Eastern Europe and Central Asia. The EECA is the region with the highest burden of the drug-sensitive and drug-resistant TB: Less than 50% of cases have been detected and successfully treated.

The full title of the project is “TB in Eastern Europe and Central Asia Project on Strengthening Health Systems for Effective TB and Drug Resistant-TB Care,” but it is commonly referred to as “TB-REP.”

TB-REP will target the systemic weaknesses that drive the TB epidemic in the region, i.e.: (a) the slow pace of transition of hospital-based services into patient-centered services; (b) poor out-patient management; (c) failures of active case-finding and contacts tracing; (d) low treatment success rates; (e) weak integration between HIV and TB services; (e) the shortcomings of infection control standards in hospitals; and (f) the passive involvement and immaturity of the civil society sector with respect to TB-related activities.

TB-REP has two core objectives: (1) to increase the political commitment of the country leaderships to end TB through cooperation and health system strengthening; and (2) to support countries in reforming health systems, including improving service delivery and spending money more efficiently.

The project intends to conduct high level advocacy among government ministries and prime ministers’ offices to ensure that governments prioritize reform of the system of TB care; that they spend the TB program funds more efficiently; that they increase funding for health; and that they support the development of community and ambulatory models of care.

The project will also stimulate interaction among governments.

The second objective requires enhancing skills and competences at the government level to implement policy reforms. Targeted and needs-based technical assistance will be provided. Technical support teams will help to develop health system strengthening action plans and frameworks.

According to the concept note that was submitted, the project will also provide support for developing transition plans, as some participating countries might not be eligible for Global Fund financing after 2018.

TB-REP is a three-year initiative, with an overall budget of $6 million. The project will start on 1 January 2016 and focus on the 11 countries that have the highest MDR-TB burdens: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.

The project will be implemented by a multi-stakeholder consortium consisting of the World Health Organization, a number of academic institutions, and a regional task force represented by government officials and the national TB programs of participating countries.

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7. NEWS: OIG report provides details of its investigation into the use of two million counterfeit bed nets in Burkina Faso

Stéphanie Braquehais *3 November 2015*

On 30 October, the Office of the Inspector General released a report on its investigation into the procurement and distribution of nearly two million bed nets in Burkina Faso which did not meet the requirements of the World Health Organization.

The existence of the counterfeit bed nets – they were not properly treated with insecticide – was revealed by the Global Fund in 2012 (see GFO article).

According to the OIG's report, two local wholesalers, Liz Telecom/Azimmo and Disgefa provided counterfeit nets which they obtained from a manufacturer in Shanghai, China. The OIG said that the principal recipient, PADS (Programme d'Appui au Développement Sanitaire, created by the Ministry of Health) and the Global Fund Secretariat bear some responsibility for what happened.

The investigation was initiated by the OIG after it received a tip by email. The publication of the OIG's findings was postponed pending the results of a U.S. criminal investigation by the USAID Office of the Inspector General and the U.S. department of Justice. (USAID also provided funding for the bed nets.)

In October 2009, PADS launched a tender, split into 13 lots, for 6.6 million DAWAPlus 2.0 brand-name insecticide-treated bed nets for a planned 2010 mass distribution campaign. The six winning bidders had to procure and deliver the nets in-country up to the district level.

According to the investigation report, only 50,000 out of the 1,876,000 bed nets delivered by Liz Telecom/Azimmo, and only 100,000 out of 869,000 bed nets supplied by Disgefa, met the WHO requirements. The total value of the substandard nets financed by the Global Fund was € 9 million.

According to the OIG, the PADS tender did not require that the bidders prove they had experience in executing large tenders nor did it require a declaration from manufacturers saying they had the capacity to produce the specific number of nets within the requested time-frame. The OIG said that Tana Netting, a company in Thailand which is the sole authorized manufacturer of the brand DAWAPlus 2.0 bed nets, did not, in fact, have the capacity to produce the necessary quantity of nets on time.

The OIG said that the requirement for local delivery of the nets to the district level "significantly impeded" the awarding of contracts to international bed net manufacturers (who could have provided a brand other than DAWAPlus).

The OIG found that the Secretariat did not exercise sufficient oversight of the PR during the tendering process. Nor did the Secretariat have a mechanism in place "that would trigger enhanced oversight, such as requiring the review and guidance of a procurement expert" for large-value procurements like the PADS tender.

As soon as the Secretariat was informed about the problem in 2012, the distribution of the bed nets was suspended and some actions were taken, including the creation of a task force to mitigate the damage; the procurement of 150,000 new nets to replace the counterfeit nets still in storage; and the acceleration of the planned 2013 mass distribution campaign.

"Enhanced" precautionary measures were also taken, as follows:

- health products for HIV and malaria had to be procured through the Fund's pooled procurement mechanism, and TB products through the Global Drug Facility;
- an independent international fiscal agent was required to check all of the PR's expenditures and advance payments; and
- a restricted cash policy was put in place in September 2013.

As a result of the OIG investigation, the Secretariat will now require pre-shipment testing for nets and will identify criteria to trigger enhanced oversight at all levels (i.e. Secretariat and implementers).

It is now up to the Secretariat to determine how much money should be recovered from the responsible entities.

The two suppliers and the PR (PADS) were given the opportunity to respond to the findings of the investigation. Liz Telecom/Azimmo did not provide a response. Disgefa responded, and the OIG made some changes to its final report to reflect the comments from Disgefa.

PADS stated that the PADS Tender was conducted in compliance with the public tender regulations in Burkina Faso and that prior to the launch of the tender, its terms were reviewed and approved by the Secretariat. PADS added that it didn't have the means to test the nets prior to distribution.

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8. NEWS: Problems persist in the management of the supply chain in Ghana: OIG audit

Weaknesses in data collection and reporting affect decision-making

Stéphanie Braquehais *3 November 2015*

An audit report on Global Fund grants to Ghana released on 27 October by the Office of the Inspector general rated financial and fiduciary controls as effective but identified weaknesses in the management of programs and health services, and in data and risk management.

The audit covered four active grants for HIV, TB and malaria, all implemented by the Ministry of Health (except for one HIV grant jointly implemented with the AIDS Commission). For this report, the team visited 27 health facilities in seven out of the 10

regions of the country to assess access to treatment, programmatic data, and assurance mechanisms to mitigate risks.

The OIG found "significant weaknesses" in the supply chain and in inventory management methods (e.g. poor storage conditions; lack of use of stock cards and stock ledgers; lack of a functioning computerized information system; and no in-country drug testing for HIV and TB drugs). In January 2015, a fire at the Central Medical Store resulted in important losses of drugs which were not covered by external insurance. According to the report, quantifying those losses has been a challenge in the absence of a strong inventory management system.

Although a supply chain master plan had been in place since 2012, it was never fully implemented. Thus, the OIG recommended the integration of all supply chain initiatives from partners and the government and the revision of the master plan.

For the majority of the facilities visited, the OIG team found a greater than 10% error rate in HIV and malaria data. According to the report, the poor data collection is due to the lack of staff capacity, to the fragmented data systems and limited use of automated systems, and to the lack of a differentiated approach to assess the data.

These factors contributed to a weakening in the ability to detect data errors – despite an investment of $8 million in 2014 for monitoring and evaluation. The OIG said that the challenges in reporting have an impact on decision-making.

Following the report, the Secretariat agreed to take several remedial actions, including supporting the PRs to develop a plan to solve the main problems in the supply chain and to deliver an accurate accounting of ART patients in the HIV information system. It also agreed to support the Ministry of Health to produce an action plan for quality data collection in the malaria program.

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9. NEWS: More attention should be paid to data collection and use, authors say

"There is a lack of data to guide smart investment decisions"

David Garmaise *31 October 2015*

The Global Fund needs to accord a much higher priority to data collection and use, according to Cathryn Streifel and Todd Summers, authors of a paper on "Data for Decisionmaking and the Global Fund." The paper, published in October by the Center for Strategic International Studies, was based on a discussion organized by CSIS among a small group of data experts.

The authors state that the new funding model has improved the impact of Global Fund investments, particularly as a result of the back-and-forth that occurs with the submission and review of concept notes. However, they argue, the success of the NFM has been challenged by a lack of data to guide smart investment decisions. “Although any of the Global Fund’s top-line objectives requires robust country data, there often remains a startling lack of capacity to collect and utilize high-quality data at the country level.”

The paper says that the Global Fund allocates only 5% of its resources to data collection and analysis, and that an enhanced effort around data will require a significant investment in human resources at the Secretariat and at country level. The authors identified significant gaps in data collection in the following areas:

- data on the beneficiaries of services disaggregated by age, gender, income status and risk group;
- data at the sub-national and community level;
- comprehensive data on TB cases; and
- data on key populations.

Regarding the last item, the authors said that often data on key populations is not collected for political reasons. “The Global Fund needs to determine when and how to intervene when critical data are missing, assuming a more proactive stance when necessary,” they added.

Even when data are available, the authors stated, they are often not presented in a way that allows non-technical audiences to use them. “As a result, civil society organizations, advocacy organizations, and government officials are disconnected from the data they need to make smart evidence-based decisions; to fulfill their oversight roles; and to make the case for additional domestic resources.”

The authors argue that data transparency should be a Global Fund priority. “For instance, the Global Fund should consider making concept notes available much earlier in the process so that others can point out gaps in data or programs inconsistent with data even before formal reviews commence.” In addition, they said, the timely posting of grant progress reports and reviews should be standard procedure.

The authors recommend that data efforts focus first on the 15-20 countries where the HIV, TB and malaria epidemics are heavily concentrated.

Regarding the internal operations of the Secretariat, the authors stated, the Global Fund uses multiple databases that may meet the needs of individual units but that make it harder to utilize those data for broader purposes. They added that the Fund should adopt an internal strategy for data collection and use that would allow the data to be shared and quality controlled across units. “To the maximum extent possible,” they said, “these data should be available to the public.”

The authors state that improving country data capacity should be a central element in the Global Fund’s new strategy, which is currently being developed. However, they said,

strengthening data capacity currently appears only as a sub-point under one of the four objectives in the framework that has been developed for the new strategy.

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10. ANALYSIS AND COMMENTARY: Building the capacities for Guinea's SRs will be challenging

Past investments in capacity-building have not produced lasting benefits

Bertrand Kampoer *28 October 2015*

The lack of capacity of sub-recipients is a long-standing problem in Guinea.

In September 2015, the Global Fund signed a $62.7 million HIV grant with Guinea. When the Guinea country coordinating mechanism submitted the concept note for the HIV grant in August 2014, the SRs had not yet been identified. The CCM oversight committee started consultations to select them at the end of September 2015. "The CCM, in cooperation with the principal recipients, will evaluate the Round 10 SRs and, if necessary, select additional applicants through call of expression of interest," a member of the CCM told Aidspan.

The CCM would like to work with SRs from a Round 10 HIV grant that have a proven track record in financial and program management. The oversight committee will use the Global Fund's capacity assessment tool to evaluate the capacity of the SRs. This tool covers monitoring and evaluation, financial management and financial systems, governance and program management, and procurement and supply management. The SRs that meet all the requirements will be selected. The evaluation will also identify what needs to be improved. "A plan to build capacities based on the gaps identified during the evaluation will be developed and implemented," the CCM member said. "We'll use the technical assistance budget in the concept note. Other TA opportunities will be explored using providers listed by the Global Fund."

"Based on our experience in the previous rounds," a representative of one of the PRs told Aidspan, "we can say that there are two types of SRs: those who emanate from international NGOs, who have good skills; and those who are from local civil society and who can't comply with all the expectations of the Global Fund to implement a grant. Several activities were included in the Round 10 grant to support local NGOs, but today we're not seeing the benefits of this investment."

Large investments were made during the Round 10 grant to strengthen community systems. Funds were provided through 50 local NGOs for activities related to behavior change communication, promoting HIV testing and providing support. In addition, the NGOs received training on management, good governance, project development, and resource mobilization. Five national networks also received equipment and organizational support, as well as financial support to help them provide HIV services to the community. As well,

associations of people living with HIV benefited from income generating activities to support their financial autonomy.

In spite of these efforts, challenges remain. “We lost qualified staff during the Ebola outbreak and we lack sustainable financial resources to keep skilled staff,” a representative of an SR explained to Aidspan. The Ebola outbreak left the health system in shambles. Frontline workers were particularly affected.

The performance of the SRs is not the only challenge. A civil society representative on the CCM told Aidspan he is concerned about the performance of one of the PRs, SE/CNLS (Secrétariat Exécutif du Comité National de Lutte Contre le SIDA). “During the rounds, and in spite of corrective actions,” he said, “there were issues concerning the financial management capacities of the PR. Financial management will be even more important under the new funding model. The oversight committee of the CCM is aware of the problem and plans to enhance its support to the PR.”

Dual track financing

During the implementation of Round 10, the SE/CNLS faced challenges with respect to coordination and governance (because it had too few skilled financial staff); and management of health products (because of weak technical and management capacity among staff responsible for managing the supply chain). It also experienced long delays in procurement.

For its NFM grant, the CCM has opted for dual track financing – i.e. one government PR and one civil society PR – not only because the Global Fund prefers dual track, but also in an effort to improve Guinea’s ability to absorb and successfully implement the grant. Having two PRs will also improve monitoring of the SRs.

The two PRs have been selected: SE/CNLS on the government side, and Population Services International for the civil society portion.

In spite of these efforts, numerous challenges remain. A civil society activist involved in Global Fund activities told Aidspan that “even though the CCM is working really hard to get the grant off the ground, we are still preoccupied by the electoral process [i.e. the presidential election] which could cause the security situation to deteriorate.”

Tensions around the election could indeed slow down the implementation of the grant.

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11. NEWS: EHRN issues another report on how harm reduction programs are affected when the Global Fund pulls out of a country

This report is on Bulgaria; the first one was about Serbia

Tinatin Zardiashvili *3 November 2015*

The Eurasian Harm Reduction Network has issued the second in a series of reports on the impact on harm reduction programs of the Global Fund withdrawing support for HIV components in a country. The second report, on Bulgaria, reached a similar conclusion as the first report, on Serbia – i.e. that the lack of sustainability and transition preliminary planning has limited the ability of countries to estimate risks of increased HIV-epidemics and to define financial gaps. This has negatively affected preparedness to mobilize alternative financial recourses for harm reduction interventions.

For information on the Serbia report, see GFO article.

Bulgaria was not eligible to receive an allocation under the new funding model. An existing grant that was scheduled to end in 2014 has been extended at no cost to December 2015 to give the country some time for transition planning and alternative funds mobilization.

Bulgaria is a low HIV-prevalence country, but people who inject drugs are disproportionally affected by HIV infection. Between 2004 and 2012, the HIV prevalence among persons who inject drugs increased from 0.6% to 10.7%.

Until now, the major source of funding for the harm reduction program in Bulgaria has been the Global Fund. Harm reduction services were provided by 10 local NGOs. They risk having to stop their harm reduction work if they are not able to mobilize resources from other donors.

Since 2014, civil society has been warning the government and Parliament about the imminent HIV funding crisis. Most officials were not even aware of the fact that the Global Fund was no longer funding programs in Bulgaria and of the consequent risks related to the HIV-epidemic.

As a result of the advocacy efforts of civil society organizations, the harm reduction program will be one of strategic directions of the National Strategic Plan for HIV for 2016-2020. This will be a costed plan and it should become a part of the budget to be voted by the National Assembly in December. However, the NSP is still a draft document and there is no transition plan that would identify the financial gap for harm reduction programming in Bulgaria and the activities that will be undertaken to address this gap.

According to the case study, most respondents doubted that the government will make a political commitment to fund the harm reduction interventions. Respondents identified restrictive drug policies as another barrier.

The report concludes that "Global Fund support of harm reduction programs in Bulgaria has been essential to the country's HIV response. However, HIV prevalence among PWIDs in Bulgaria has grown substantially over the last decade, and the Global Fund's sudden withdrawal of funding for HIV activities in-country threatens the sustainability of Bulgaria's HIV response."

In the near future, the EHRN will release reports on the impact of the withdrawal of Global Fund support on harm reduction programs in Bosnia and Herzegovina, Romania and Macedonia.

Meanwhile, the EHRN has published a report on "Sustainability and Transition Planning for Global Fund Harm Reduction Projects" in Belarus.

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12. ANNOUNCEMENT: Nominations sought for three positions on the Developed Country NGO Delegation

Aidspan staff *28 October 2015*

The Developed Country NGO Delegation to the Board of the Global Fund is soliciting nominations for three positions on its Board delegation for the period 2016-2018.

The delegation said that for this call it is "especially" inviting:

- individuals with a solid background in the three diseases in an implementing NGO and/or faith-based organization; and/or a solid background in an implementing country, preferable with extensive knowledge with the new funding model; and
- individuals who are in-country Global Fund advocates in the following countries: Belgium, Germany, Japan, United Kingdom.

The deadline for applications is 15 December 2015. For further information, see the announcement on the delegation's website.

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GFO Editor: David Garmaise (david.garmaise@aidspan.org).

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