



Independent observer
of the Global Fund

Global Fund Observer

NEWSLETTER

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BY NICK ZEBRYK AND ALAN WHITESIDE

Over the past few months there have been some severe fluctuations in the values of currencies with implications for AIDS financing. This needs to be seen against a backdrop where domestic resources for HIV have to grow. This is both because most affected countries have significantly improved their economic standing and continue to show slow but consistent growth and because of donors wanting to reduce or refocus funding.

2. NEWS: [Full list of pledges for 2017-2019 now available](#)

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The UK government will use its latest investment in the Global Fund to Fight AIDS, Tuberculosis and Malaria to secure a set of performance targets regarding the foreign aid it has given to the Global Fund. The UK will monitor the investment's performance and 10 per cent of the new UK investment will subsequently be paid out dependent on whether performance is satisfactory. The UK's International Development Secretary Priti Patel made the announcement of the agreement at the Global Fund's 5th Replenishment event in Montreal.

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BY DAVID GARMAISE

The communities and civil society organizations on the Global Fund Board were among many entities that applauded the outcome of the Fifth Replenishment but also called for greater investments in the fight against the diseases.

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1. NEWS: Fluctuating currencies and the implications for HIV and AIDS financing

Nick Zebryk and Alan Whiteside

4 October 2016

From 1990 to 2015, gross domestic product (GDP) rose by an average annual rate of 3.86 percent in sub-Saharan Africa, compared to 2.79 percent for the world. Those differences are even more pronounced when looking at different time periods. From 2000 to 2015 GDP in sub-Saharan Africa rose by an average of 5.04 percent compared to 2.87 percent globally according to World Bank data.

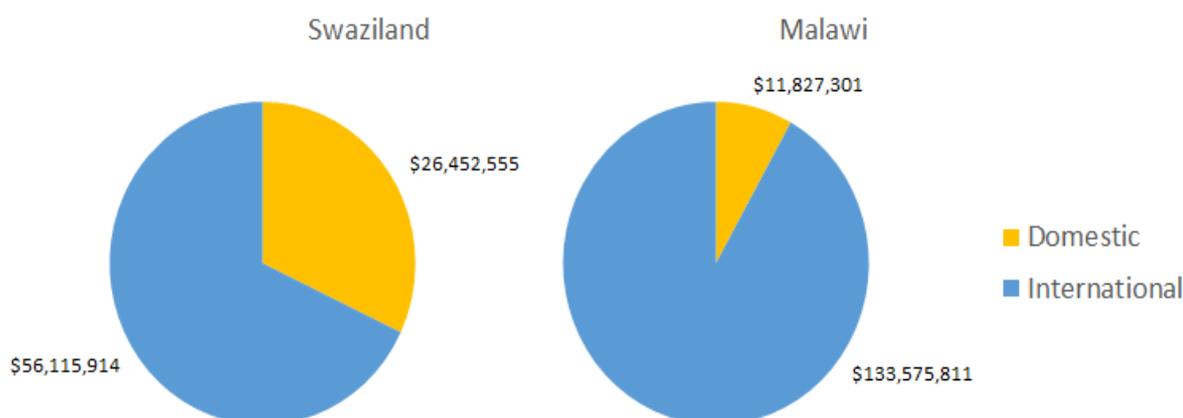
This upward trend has seen the emergence of a view that governments, particularly in the developing world, should take greater autonomy, relying less on foreign aid and more on the gains made as a result of their own economic development. The concept of “dead aid,” or the belief that foreign development assistance has a finite impact on how much it can help a country grow, is emblematic of this. In addition, there are new challenges facing the governments in the rich world: environmental change and mass movement of people to name just two.

Nowhere is this shift more obvious than in the world of HIV and AIDS. At the beginning of the epidemic, responses to the disease in the developing world were largely been funded by international organizations, non-governmental organizations and foreign donor governments. Recently however, there has been a strong push for developing countries to allocate a larger amount of domestic resources towards their HIV and AIDS response, while at the same time international financing has begun to plateau or even fall.

This trend has been premised on the idea that the economies of recipient countries will continue to grow. While the outlooks for many lower to lower-middle income countries have slowly and steadily improved, there are significant barriers for many of these countries to overcome in order to achieve sustained economic growth.

This push calls in to question whether or not countries are actually able to take on an increased proportion of their own HIV and AIDS response financing. For example, in 2012 Swaziland received over U.S.\$100 million in development assistance whereas Malawi received just over U.S.\$1.1 billion. According to World Bank figures. Figure 1 shows the breakdown of HIV and AIDS spending by international and domestic sources. Swaziland spends over U.S.\$82 million on HIV and AIDS, of which 68 percent is from international sources. Malawi, on the other hand, spends over U.S.\$145 million on HIV and AIDS of which 92 percent is from international sources according to UNAIDS.

Figure 1 - HIV Spending from Domestic and International Sources



These numbers have serious implications for a countries' ability to self-finance their HIV and AIDS response. For example, it would be impossible for Malawi to domestically fund their program at the same level it is currently at without significant help from international donors.

Exchange Rates and Currency Fluctuations

Domestic

One of the under-considered issues is the importance of foreign exchange rates. If a decreased international commitment to financing HIV and AIDS programs is premised on strong economic growth of the recipient countries, declining currencies could have a significant and negative impact on their ability to fund their own HIV and AIDS response. As such, increased reliance on domestic contributions for combatting the epidemic may be premature.

Of great significance to the response to HIV and AIDS has been the decline in the value of most African currencies, which have decreased significantly over the past 10 years. In Southern Africa the South African Rand, has seen historic lows in the exchange rate when compared to the U.S. Dollar. This is seen in Figure 2 which shows the U.S.\$ to ZAR exchange rate. At the peak in the last five years one rand bought 13 U.S. cents, at the lowest level in the beginning of 2016 the rand bought less than 6 U.S. cents.

This depreciation is particularly worrisome because a number of countries in the Southern African region have pegged their own currency to the rand. Lesotho, Namibia, and Swaziland are in a Common Monetary Area (CMA) with South Africa. Their exchange rates are identical: a change in the value of the rand leads to the same change in the value of the Lesotho Maloti, Namibian Dollar and Swazi Lilangeni. The CMA is crucial as the agreement overlaps the highest prevalence countries in the world. In addition, other regional currencies such as the Botswana Pula, Zambian and Malawi Kwacha and Mozambican Meticaais have

the rand as a major part of the basket of currencies that determine their exchange rates. As the rand continues to devalue so to do the currencies of these countries.

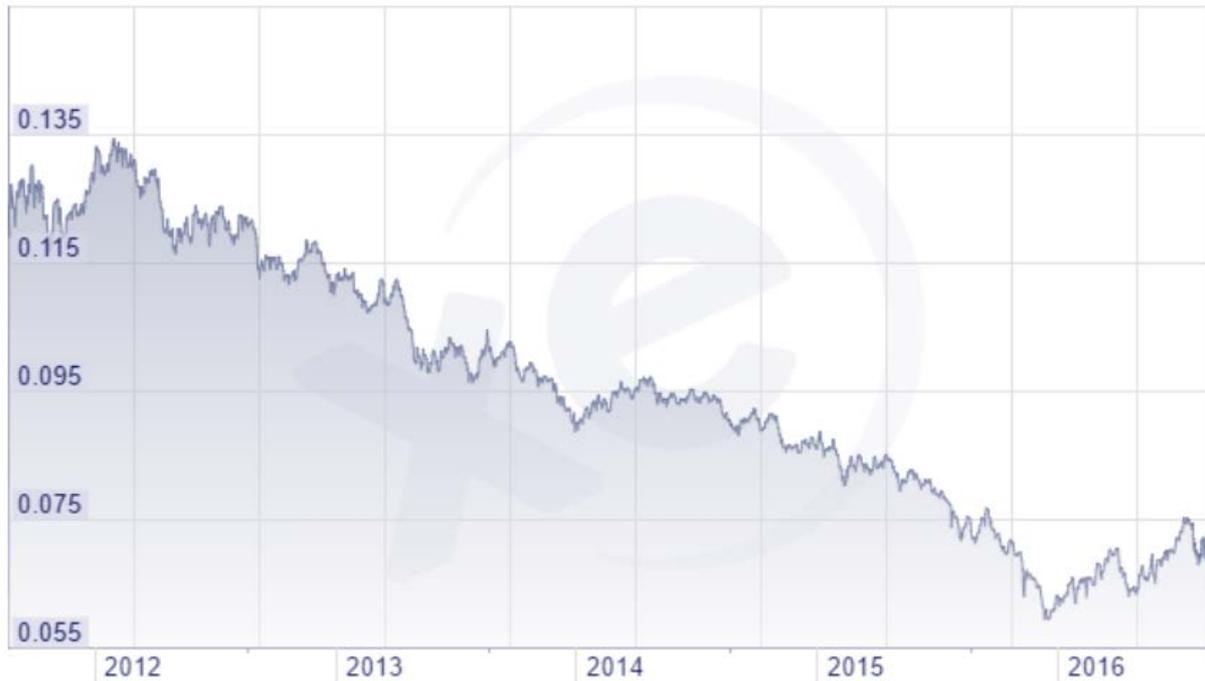


Figure 2 – U.S.\$ to South African Rand Five Year Exchange Rate (from Xe.com)

If the countries are picking up costs denominated in foreign currencies (such as drugs or supplies) this is a problem. What this means for the HIV and AIDS response is that when the value of local currencies continues to decline (or remain at a low level) the domestic commitment from these countries must increase by an even greater amount in order to get the same “bang for your buck.”

International

A similar potential problem can be seen when looking at the amount of money committed by foreign donors. International contributions to HIV and AIDS are generally expressed in U.S. dollars. As the dollar continues to appreciate, donor pledges in their own local currencies may flat-line or even decrease. The 2016 Aidsplan article titled, “The Global Fund Reports Pledges of U.S.\$12.9 Billion at the End of the Replenishment Conference” looks at this exact phenomenon.

For example, at the time of the last global replenishment conference the Canadian dollar was at par with the U.S. dollar. In 2016 CAD\$1 was worth only U.S.\$0.76. Therefore, even though the Canadian government pledged to increase its international commitment to the Global Fund by 24 percent, this figure is almost completely negated by the declining value of the Canadian dollar. This can also work the other way. For example, Japan repeated its 2013 commitment with another U.S.\$800 million pledge. With the Japanese Yen depreciating significantly since 2013, this repeat pledge, made in U.S.\$, actually constitutes a significant

increase in the amount donated by Japan as stated in the previously-named [Aidspan article](#). Of course for Canadians the increase in the pledge means more of their tax dollars are going to the Global Fund as exchange rates are largely irrelevant.

Exchange rate fluctuations must always be considered when money is crossing borders or commodities are bought on the international market.

In conclusion

It is absolutely critical that funding levels for HIV and AIDS remain high in order to maintain and improve upon the significant gains made over the past 15 years. This may not be feasible for countries as economic uncertainty continues to permeate the region. It may also be too soon for the international community to transition to a system increasingly reliant on domestic contributions to fight the HIV and AIDS epidemic. Finally the currency in which the fight is funded is the U.S. dollar. This means exchange rates need serious consideration when looking at what it is both in terms in income and expenditure.

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2. NEWS: Full list of pledges for 2017-2019 now available

The Fund explains how it converts pledges to U.S. dollars

David Garmaise

4 October 2016

The Global Fund has released a final list of pledges made up and at the Fifth Replenishment Conference in Montreal, Canada on 16-17 September 2016. The list is available in English in PDF format [here](#).

The list includes an US\$18 million pledge from China, made at the U.N. on 19 September, a couple of days after the end of the conference. (In our last newsletter, we [reported](#) that China had come to the conference with “empty hands.”)

In a footnote to the list of pledges, the Global Fund explained that “the U.S. dollar equivalent value of pledges made in non-U.S. dollar currencies are calculated at an exchange rate based on a five-year moving average, computed on 15 September 2016 from spot rates listed on Thomson Reuters.”

In an email to Aidspan, Seth Faison, the Global Fund’s Director of Communications said that while the Fund measures its overall funding in U.S. dollars, the pledges, and actual

contributions, are made in multiple currencies. “Since exchange rates are constantly fluctuating, he said, “there is no perfect way to measure contributions in a single currency.”

Faison said that the Global Fund now preserves contributions in euros and British pounds, and can disburse for some grants in those currencies, without the need to convert to U.S. dollars, which reduces the effects of currency shifts. Yet another factor, he said, is that the Global Fund now employs a dynamic hedging strategy that protects the value of non-U.S. dollar contributions that are converted to U.S. dollars, and that limits the effect of fluctuating currency rates on contributions that have already been made.

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3. NEWS: The UK may withhold part of its £1.1 billion pledge to the Global Fund if performance targets not met

UK remains concerned about corruption

Larson Moth

4 October 2016

The UK Secretary of State responsible for foreign aid, Priti Patel has stated that aid earmarked for Global Fund use will come with conditions tied to "performance agreements" which would leave it up to the Department for International Development (DFID) to withhold 10 percent of future donations if certain conditions go unmet. On the new performance agreement, she recently [stated in an article](#): “For the first time this (the agreement) sets out, in black and white, clear requirements for the Global Fund to use our money cost-effectively, transparently, and with a proper focus on results and impact.”

The DFID has stated that the Global Fund must follow through on its ‘Prioritized Action Plan’ to strengthen risk management, fiduciary oversight and results monitoring. The DFID is focusing on the Fund’s ability to ensure that its risk management and audit functions provide sufficient coverage of high risk programs and expects the Fund’s Office of the Inspector General to provide sufficient oversight and audit functions to ensure accountability by auditing ‘high risk’ countries every 2 years.

The agreement identifies 10 areas which the Global Fund should prioritize for further improvement, one of the identified areas being the rooting out of corruption. Mark Dybul, Executive Director of the Global Fund, said: “We have the knowledge and the tools to end HIV, TB and malaria by 2030, but we need to invest smartly and with focus to make it happen.” This statement would seem to imply that the performance agreement is not necessarily an unwelcome addition to the aid by the Global Fund.

The DFID’s conditions include the stipulation that the Fund must achieve \$250 million in savings by 2019 and reduce the incidence of HIV in women and girls, including pregnant women and unborn children, by 40 percent. Other criteria include calls for increased

contributions from the private sector and for the Fund to follow through on previously-made performance benchmarks already set by the Fund itself.

In a letter to Aidsan from Tjin Lim of the DFID dated 23 September 2016, Ms. Lim stated “The UK Government believes that the international community has a duty to all of the people affected by the three diseases, and to ensure that the Global Fund continues to be one of the world’s most effective aid institutions.”

In an e-mail to Aidsan from Seth Faison, Head of Communications at The Global Fund, Mr. Faison stated: “We welcome efforts to maximize impact of investments in global health, including specific targets set out in the Performance Agreement. It is fully appropriate to include a special focus on preventing the misuse of any funds. The Global Fund has a clear public commitment to a zero tolerance approach to fraud and recovery of funds and will further strengthen its efforts to recover funding when wrongdoing is identified.”

This first-of-a-kind move takes the U.K. Department for International Development’s [payment by results agenda](#), which is the way in which organizations can only receive funding after achieving impact, to the multilateral arena.

More on the performance agreement can be viewed on the [DFID website](#).

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4. NEWS: FAQ document provides more information on applications process for 2017-2019

David Garmaise

4 October 2016

The Global Fund has released a nine-page Frequently Asked Questions (FAQ) [document](#) on the applications process for 2017-2019.

As we [reported](#) in the last issue of GFO, there will be three types of funding requests for the next allocation period: full review, tailored review, and program continuation. The FAQs provide more information.

The **full review** process is defined as a “comprehensive overall review of a program’s approach and strategic priorities.” This is similar to the concept notes used in the last allocation period.

Under the **tailored review** process, the documentation requirements “are appropriately designed for challenging operating environments, for transition, for national strategy-based approaches, for results-based financing or other innovative financing approaches, and for material reprogramming in defined areas.”

For applicants using the **program continuation** approach, the process is simplified and streamlined “to ensure well-performing programs with no material change needed can continue implementation with minimal distraction.”

Use of the program continuation approach will be limited to applicants that meet certain criteria, such as strong programmatic performance and absorption, a low risk profile, and without the need for material change in programming. Program continuation funding requests must be submitted early in 2017. The Global Fund said that more information will be provided in the allocation letter.

The Fund plans to send allocation letters to all eligible applicants in December 2016. Each letter will contain the allocation amount for that country. By the end of the replenishment conference, the Global Fund had raised \$12.9 billion. In October, the Audit and Finance Committee will determine the amount available for allocations to countries.

According to the FAQs, all funding requests submitted during the 2017-2019 allocation period must have an end date of 31 December 2020 or later. This is because disbursements under the subsequent allocation period (i.e. 2020-2022) are not expected to start before the end of 2020.

According to the Global Fund, simplified procedures have been introduced based on lessons learned during the 2014-2016 allocation cycle. The FAQs provided one example: At the application stage, the modular template has been replaced by a performance framework and budget. This means that there will be no need to create a performance framework and budget from scratch during grant-making, as was the case during the last cycle.

The FAQs state that, as before, each applicant will be asked to in their funding requests a prioritized above allocation request.

The Technical Review Panel has been expanded to include more experts on resilient and sustainable systems for health, human rights and gender equality, as well as cross-cutting issues.

The FAQs include question on the following topics: country eligibility; reprogramming grants; key populations; human rights and gender; health systems; co-financing; application focus requirements; and grant-making. GFO will report on what the FAQs said for some of these topics in a future issue.

Reminder: Countries that are implementing grants ending on or before 31 December 2017, and that expect to receive an allocation for 2017-2019, should start preparing shortly for their next funding requests. [TOP](#)

5. NEWS: Advocacy for Increased Domestic Funding a Success in Ukraine

The Government of Ukraine has committed to changes that will significantly improve the quality and coverage of ARV, MDR-TB, Hepatitis C and OST treatments.

Tinatin Zardiashvili

3 October 2016

Advocacy for increased domestic funding led by CSOs and PRs, and strongly underpinned by the Global Fund's conditions put to the government of Ukraine, has achieved outstanding results. Communities, empowered by the Global Fund, have been able to partner with the Ministry of Health. CSOs participated in the budget calculation, planning and discussions that resulted in an increased commitment to finance ARV, MDR-TB, Hepatitis C and OST treatments.

In September 2016 the parliament of Ukraine intended to increase financing treatment of Tuberculosis (TB) by 141% and HIV by 132%. The allocations are planned to cover the treatment of multi drug resistant (MDR) TB, provide antiretroviral (ARV) therapy plus test-kits for HIV. The state budget also contains increased funding for Hepatitis by approximately \$540,000.

Since 2014 the health budget has declined mostly due to the recent Russian intervention, the occupation of Crimea and the associated increases to the defense budget. The official commitment to increase the HIV and TB treatment budget by approximately 140% is unprecedented in the country and when translated into the number of people who actually benefit, 34,000 more HIV patients, 25,000 more TB and 600 more Hepatitis C patients receive treatment.

In addition, for the first time in its history, the Ukraine government has included an opioid substitution therapy (OST) allocation of \$6.6 million into the state budget. The Ministry of Health has also allocated more than \$ 0.5 million for purchasing Methadone that will allow an additional 500 patients to access the OST program, which is currently only limited to 8,881 patients.

Although this draft budget for 2017 awaits further discussion and approval, CSOs celebrated the victory after intensive negotiations with the government. According to Dmytro Sherembey, the head of Coordination Council in the Network of People Living with HIV/AIDS, one of the PRs for the GF program in Ukraine, the most important achievement is that the behaviour towards health financing of the government is changing. "The ministry took the side of the patients. To me the figures within this increased budget represent the lives of 70,000 people, said Mr. Sherembey, "We have been able to influence policy and there is a realistic chance now that treatment coverage of HIV patients in 2017 might reach 90%, however the next goal is to reach full coverage."

The leaders from Alliance for Public Health, another PR of the GF program implementing the harm reduction component, are not as optimistic in regards to the OST funding commitment and are looking forward to final approval of the budget in December. However, according to Pavel Scala, Associate Director: Policy and Partnership, “increased allocations and the declaration for readiness to finance the OST is definitely a progressive step. This is a joint achievement of the Global Fund, CSOs and all partners.”

Mr. Sherembey also acknowledged the role of the Global Fund in the success, according to him, of the strong position of the Global Fund in requiring the domestic contribution as a condition to finance the programs in Ukraine and the substantial investment made in developing and empowering community organizations. “The Global Fund has played an important role in influencing the governmental officials, but the biggest achievement of the Global Fund in Ukraine is a human capital, strengthened communities and activists”-said Sherembey.

In August, the Ministry of Health started updating the clinical guidelines for HIV and Hepatitis-C and removed patents from several first line ARVs. The Global Fund Portfolio Manager in Ukraine, George Sakvarelidze evaluated these changes as “breakthroughs, which together with increased funding and standardization of the protocols, will boost the ART coverage significantly and support sustainable scale-up and future transition”.

According to Mr. Sakvarelidze, “the sustainability and transition plan is being signed by the Government of Ukraine and will serve as roadmap for sustainable transition of TB HIV programs towards state funding”.

In the near future, the Ministry of Health also plans to approve the introduction of OST in the penal system. According to Vitaliy Tkachuk, Policy and Advocacy Director, Network of People Living with HIV/AIDS, “the introduction of OST in prisons is not only a financial achievement, but an ethical and methodological victory, as earlier the government was always against it despite our strong arguments backed up by evidence from the western world”.

The next stage forward for CSO advocacy in Ukraine is, by the end of this year, is to monitor implementation of the financial commitments made by the government. In October, the head of the Global Fund Grant Management Division will visit the country with the purpose to review the agenda for the sustainability of HIV and TB programs in Ukraine, and to meet with Prime Minister Volodymyr Groysman.

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6. ANALYSIS: Is South Africa transitioning?

Changing Global Fund priorities and a new NSP prompt discussions on sustainability

Gemma Oberth

3 October 2016

In a recent ICASO [discussion paper](#) called “Handing over Health”, a review of sustainability and transition literature is complemented by country case studies from Serbia, Thailand and South Africa. GFO has [previously reported](#) on the Thai case study from this paper.

The South African example is perhaps the most interesting of the three, as it is not a country that typically enters the conversation on transition. South Africa is a middle-income country, prompting many funding partners to either leave or reconsider their role (often referred to as a donor “transition”). Britain’s Department for International Development (DFID) stopped direct aid to South Africa in 2015. The United States President’s Emergency Plan for AIDS Relief (*PEPFAR*) is currently in the midst of a gradual transition from providing direct clinical services towards being a technical support partner to the South African government for things like systems strengthening and health innovation.

Unlike DFID and PEPFAR, Global Fund grants are determined by a systematic allocation methodology, for which a country’s disease burden is an important weight. With nearly 7 million people living with HIV and 450,000 TB cases each year, South Africa remains eligible for significant investment from the Global Fund for these two diseases. In April 2016, the country began implementing a three-year Global Fund grant worth some \$314.5 million. GFO has previously reported on the [concept note development process](#) and the [implementation arrangements](#) for this new grant.

But a lot is different about this new grant. First, the level of investment from the Global Fund is significant less than it has been in previous years (the discussion paper says it was cut in half, but a source tells Aidsplan it was closer to a third). According to the discussion paper, the reduced funding envelope kick-started some of the thinking about how to sustain certain elements of the response with less external support. Difficult decisions were made during concept note development; certain interventions were cut from the Global Fund program while many others were narrowed in geographic scope. The Global Fund would no longer be supporting orphans and vulnerable children or medical male circumcision, and would be funding a much smaller portion of South Africa’s HIV treatment bill.

Summarizing this change, the [South African TB/HIV concept note](#) states that:

“The focus of this request for funding is to promote increased proportional investment in key populations from the Global Fund, while government assumes greater accountability for its treatment program. This is an important phase in the context of transition, which must be managed carefully by both government and development partners in the era of shared responsibility.”

Transitioning donor-funded programs to domestic financiers is not always cut and dry. “It’s not the money that’s the problem. It’s programmatic sustainability,” says a South African key informant quoted in the discussion paper. “There’s no guarantee that if Treasury fills the gap from donors that the National Department of Health will spend it on the same things.”

Along with transitioning out of funding certain programs, the Global Fund also transitioned out of many geographic areas of the country that were not regarded as high-impact. As a result, a South African news outlet reported that more than 100 local organizations would have to either shut their offices or cut back programs significantly (see [“Donor gives up on rural needy”](#)).

According to the ICASO discussion paper, South Africa submitted a brief sustainability plan along with its last concept note, after being encouraged by the Global Fund country team to do so. The sustainability plan says that the country is taking steps to reduce its donor dependency for core interventions, including HIV testing services, anti-retroviral therapy and prevention of vertical transmission. The document also highlights how South Africa has commenced the process of exploring innovative financing options such as social impact bonds and increases to taxes on alcohol and tobacco.

The discussion paper says that developing a more consultative and robust sustainability and transition plan should be a priority for South Africa over the coming years.

The Global Fund’s new [sustainability, transition and co-financing policy](#) says all countries should be doing sustainability and transition planning, regardless of where they sit on the development continuum. The policy encourages all countries to integrate sustainability and transition plans into their national disease plans/national strategic plans (NSPs).

South Africa’s current National Strategic Plan (NSP) on HIV, STIs and TB expires this year and the country is gearing up to write its next plan for the period 2017-2022. Will this new plan contain considered planning on sustainability of the country’s HIV and TB response? The South African National AIDS Council has released a [discussion document](#) to stimulate engagement around the NSP development process. The document contains a proposed outline of the new NSP, including a section on sustainable financing. This section says that a financing plan will be developed for the NSP that articulates how the national response will be financed for the NSP period and beyond. The plan will outline the financing role of all departments in the South African government as well as development partners and the private sector.

The implications of the new NSP and its proposed sustainability plan are significant for South Africa’s Global Fund program. Aidspan will continue to monitor this process and provide updates on decisions and results.

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7. NEWS AND ANALYSIS: Demands of Global Fund reporting leave some principal recipients scrambling

Some principal recipients worry intensive reporting requirements detract from programmatic work

Andrew Green

29 September 2016

Because of reporting requirements that are too stringent and time consuming, some Global Fund principal recipients (PRs) have had to overhaul their organizations and have had to reject potential sub-recipients (SRs) who could not meet the reporting standards.

“PRs have regularly found that they spend more time writing and responding to requests for reports and [local fund agent] verifications than actually implementing their grants,” Barbara Rieckhoff, the co-chair of the Civil Society Principal Recipients Network, told Aidspace in an email.

Even among recipients who have the capacity to meet the requirements, some said as reporting obligations evolve they do not receive enough support from the Global Fund, and so the responsibility for figuring out how to integrate these changes falls to them.

Setting the reporting requirements

The Country Coordinating Mechanism nominates a PR during the process of drafting its concept note, but the work of the PR really begins in earnest after that concept note is approved and the [grant-making process](#) starts.

At that point, the PR is responsible for crafting or contributing to several tools that help set their later reporting requirements. This includes an implementation arrangements mapping that is essentially an overview, showing “who will be doing what, and with what portion of grant funds,” according to the Global Fund website. PRs must also construct a performance framework that outlines the indicators and targets to be achieved through the grant and details how the PR intends to collect, collate and analyze data from its programs.

PRs are also expected to submit a list of all the products they intend to purchase with the grant, a detailed budget and a dossier of basic information on their organization.

These tools are key components of a final grant, which the Grant Approval Committee reviews first before submitting it to the Global Fund Board for final authorization. It is then signed and a first disbursement is made to the PR, which is when the reporting process kicks in.

The reporting requirements

The specifics of the reports vary based on the tools developed during the grant-making process, but the basic requirements are fairly consistent. A PR is usually obligated to report every six months on the progress made toward the targets that were laid out in the performance framework, to elaborate on its procurement and supply management process and to offer an overall self-evaluation of the grant's performance.

A PR must also include a detailed evaluation of its financial performance and needs and when the grant is still ongoing, it must also identify cash needs for the next year of implementation.

“The Global Fund has an obligation to all stakeholders to report about impact as extensively as possible,” said Seth Faison, the head of communications at the Global Fund. “That often requires every PR to submit significant amounts of data.” Some PRs complain, though, that the amount is simply too much.

Reporting challenges

Mokhothu Makhalanyane is the deputy coordinator of the Global Fund Coordinating Unit in Lesotho's ministry of finance. The ministry is the PR for three active grants, according to the [Global Fund database](#).

“The reporting requirements for the Global Fund, I think they are too much,” he said, comparing them to other grants he has worked on for organizations and companies including the World Bank, Irish Aid, and Bristol-Myers Squibb. The reports “are so time consuming. I would not say they are meant for the countries which are still developing their capacity.”

This is especially true, he said, in working with SRs to collect the performance and financial information necessary for the reports. In some communities, the ministry has failed to identify SRs that can implement programs, because there is simply not the infrastructure in place to provide the documentation, like receipts, needed to meet the Global Fund's standards.

During a recent visit from Global Fund officials, he was able to show them some of the reporting challenges his team faces and is hopeful that might prompt some change.

Keeping up

In the past, the [National Emergency Response Council on HIV and AIDS](#) (NERCHA) in Swaziland has also had some challenges keeping up with the Global Fund reporting requirements. Dumisani Kunene, the director of financial services, said in 2011 NERCHA had to establish a separate Grants Management Unit because the Global Fund requirements threatened to overwhelm the organization's general program coordination team.

They have also received money from the Global Fund, itself, to overhaul their accounting and reporting system. Faison said this is in line with a broader Global Fund effort to hold in-country trainings on reporting requirements and to fund capacity-building efforts and strengthen monitoring and evaluation systems.

NERCHA is now easily able to manage its grants, but Kunene said his team still has an obligation to stay on top of and then prepare for any new requirements. That includes recently introduced obligations to report on program activities that, while not paid for by the Global Fund, are necessary for the successful implementation of Global Fund grants. As an example, he pointed to a new malaria insectary that is currently under construction. The Global Fund is paying to procure commodities and equipment, but Swaziland's government is funding the building's actual construction. Nevertheless, NERCHA was obligated to report on the process of finding a site, the appointment of designers and approval of design plans and the commissioning of the insectary.

The requirements are important, Kunene said, "as it gives a clear picture of what caused delays in implementation," but he worried the additional work could strain a PR's resources.

This underscores one of the major concerns for Rieckhoff, the co-chair of the civil society group – that while the Global Fund does offer capacity building assistance, it is not enough and it is often not rolled out in tandem with new reporting requirements.

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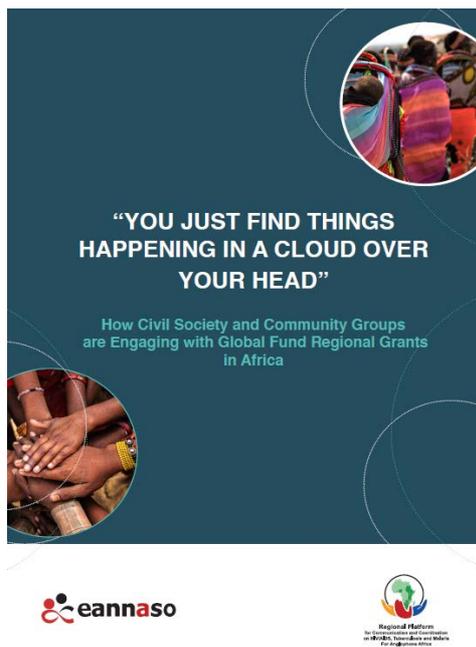
8. NEWS: Report on regional grants finds information barriers for civil society

43 stakeholders from four African countries were interviewed

Gemma Oberth

29 September 2016

[A new research report](#) has found that civil society and community groups face a range of critical information barriers with respect to the Global Fund's regional grants in Africa. The report acknowledged that while several studies have detailed civil society participation and community engagement in national-level Global Fund processes at the national level, few have sought to understand the extent to which these groups are able to engage at the regional level. The title of the report – "*You just find things happening in a cloud over your head*" – captures the overall disconnect that civil society involved in implementation on the ground express about regional grants. A [GFO article](#) with the same title shared preliminary results from this research project back in April.



The report was published by the [Eastern Africa National Networks of AIDS Service Organizations \(EANNASO\)](#) in its capacity as host for the Regional Platform for Communication and Coordination for Anglophone Africa (part of the Global Fund’s Community, Rights and Gender Special Initiative).

Results in the report were drawn from 43 key informant interviews conducted with stakeholders in four African countries: Botswana, Mozambique, Nigeria, and Uganda. EANNASO chose to conduct interviews in these countries because they were involved in a high number of regional grants; these four countries are included in nine out of the eleven regional grants in Anglophone Africa. Both Botswana and Uganda are each included in five regional grants.

Seven key themes are presented in the report: knowledge, communication, engagement, coordination, sustainability, accountability, and value.

According to those interviewed for the research project, the limited knowledge of regional grants among civil society at country level (the first theme of the report) stems from the narrower consultation and dialogue process leading up to regional concept note development, as compared to the country dialogues that occur for national funding requests. Research participant Dennis Tinyebwe, the Executive Director of the African Network for Care of Children Affected by HIV/AIDS (ANNECA) in Uganda, said “I don’t think they understand regional grants as well as they understand the country grants, and again it’s largely because of the mechanisms of involving them.” He said that knowledge would improve if regional applicants were required to go and consult in each of the countries that are part of their program, but that this is often too time consuming and resource intensive. In [another analysis](#) of regional grants, some regional applicants expressed frustration about investing a year and a half into concept note development for a three-year program.

The second theme – communication – centered on the role of the CCM as the key vehicle for feeding information about regional grants back to communities. According to the report, community representatives are involved in concept note development to some extent, but feedback to communities later on in the process is limited. This is largely linked with CCM (dis)functionality. Dick Muwhezi, with The AIDS Support Organization (TASO) in Uganda, said, “We never got to see the final product, but I know the consultations were continuous and I hope it made a difference.” The report noted that CCM members are seen as responsible for communicating back to their constituents about progress on regional grants, but this does not always take place. Oscar Motsumi, with the Botswana Network of AIDS Service Organizations (BONASO), and a civil society CCM member in Botswana, acknowledged

that feedback is hampered. “We are challenged in terms of how we represent our constituency, because we never have resources to get our members together,” said Motsumi.



With the national ones there's a clear involvement but the regional ones there very little involvement of the civil society, in both real time implementation but also in terms of monitoring. Like I said, their [regional grants] nature is narrow. It's basically the targeted population that are involved and the targeted civil society populations that are involved.



Joshua Wamboga-Uganda Network of AIDS Service Organizations (UNASO)

Engagement with regional grants (the third theme) is clearly affected by the limited knowledge and communication about what is going on. A member of the Mozambique Civil Society Platform for Health Coordination (PLASOC) noted that “since we participate in the development of the national strategic plans, we know about the content of the national grants. Not the regional ones.”

A member of the Mozambique CCM also highlighted that engagement is often hindered as some regional grants appear to go around the CCM when engaging with countries. She said, “How can the regional

applicants enter a country through the Ministries and forget there is a coordinating institution? Or, if they don't recognize this institution, there is something wrong!”

If the Global Fund is really serious about community level monitoring, people need to know what's going on, and they need to be having the necessary information to analyse and give feedback on. And where does that happen? You just find things happening in a cloud over your head. And at the end of the day they're going to do some kind of evaluation and you're going to say 'well I didn't know'. And it's not good enough. We need to make this kind of information available to everyone.



Nana Gleeson- Botswana Network on Ethics, Law and HIV and AIDS (BONELA)

The fourth theme in the report was coordination, something which is critically important given the high number of regional grants which often overlap. “Coordination becomes the constraint. Then you suffer,” said Junior Molefe, with Men for Health and Gender Justice, in Botswana.

Civil society and community groups expressed that coordination is a challenge in large part because people do not know who is implementing the regional grants. As a result, duplication may be occurring and going unnoticed.

This was mentioned with respect to both between national and regional grants and between multiple regional grants which cover the same county. Indeed, four of the seven respondents from Nigeria stated that they do not know who the principal recipients (PRs) or sub-recipients (SRs) of any regional grants are. Jacqueline Alesi, from the Uganda Network of Young People Living with HIV/AIDS (UNYPA), emphasized that knowing who the implementers are is critical since “our role is to make sure that during implementation we are there, to help monitor.”

The fifth theme in the report underscored the need for community ownership at local level in order for regional grants to be truly sustainable. “Regional grants can be sustainable if the community are involved in the development and implementation of the project,” said Mike Akanji from the Initiative for Equal Rights (TIERs) in Nigeria. Nana Gleeson, with the Botswana Network on Ethics, Law and HIV and AIDS (BONELA), agreed, noting that “We’ve seen previous grants that didn’t do so well. I think it was because of some inherent lack of ownership.” Another interesting point on sustainability was raised by Pilot Mathambo, with the Pilot Mathambo Centre for Men’s Health, in Botswana, who further emphasized the importance of local-level involvement: “If you do legal and policy change at regional level, you also need to change people’s attitudes on the ground, otherwise it’s no use.”

On the theme of accountability, the report highlighted issues of key populations representation in particular. Many of the regional grants in Anglophone Africa center on human rights issues and network strengthening for key populations. A key informant from Nigeria noted that “One of the [accountability] mechanisms is the CCM, as communities and affected populations are sitting on these.” But, Mike Akanji (TIERs) noted that “The regional programs have regional coordinating mechanisms (RCMs); however, key populations are not represented on the RCM.”

The last theme explored in the report – value – exposed respondents’ views about whether they think engaging in regional grants is worth it for them. Despite the aforementioned challenges, most respondents felt strongly that regional grants are critically important and that civil society and communities should be supported to better engage. Laila Alberto Jose Sueye, with Tiyane Vavasate, a sex worker - led organization in Mozambique, said “I’m very impressed that the Global Fund remembers sex workers. In my country, nobody wants to talk about sex workers.” She continued to say that the “Global Fund improves the enabling environment, which is very important. Regional grants are important for this.” Maatla Otsogile with the CCM Secretariat in Botswana agreed, noting, “We think there’s strength when you combine our efforts. Doing something regionally is very, very, important. These regional grants are very, very necessary.”

The report closes with five recommendations (or “action points”) resulting from the interview analysis:

- increase access to information on regional grants, beyond relying on CCMs as the sole communication channel;
- increase community involvement in the conceptualization, design, and evaluation of regional grants;
- create opportunities for civil society and community groups at country level to be recipients of certain components of regional grants in order to ensure greater buy-in and sustainability;
- prioritize technical assistance, capacity building, and funding which facilitates civil society and community groups’ ability to hold regional grants accountable; and

- provide consistent and reliable feedback to all countries and communities involved.

Annexes to the report include tables and maps of the 11 regional grants covering Anglophone African countries, including the names of PRs, the amounts of the grants, the countries covered, the scope of the grants, and key contact details.

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9. NEWS: Communities and civil society delegations issue joint statement on the replenishment outcomes

Many organizations applaud the results but add that more needs to be done

David Garmaise

4 October 2016

In a joint statement, the communities and civil society delegations to the Global Fund Board commended the pledges from donor governments, implementing countries, the private sector, and civil society partners for the Fund's Fifth Replenishment. At the same time, they said, all involved must not only deliver on these commitments, "but also stay focused on the crucial work ahead to mobilize additional resources to address the needs of the most vulnerable and key populations no matter where they live."

As [reported](#) in GFO #296, US\$12.9 billion was pledged up to and at the Replenishment Conference in Montreal, Canada on 16-17 September, very close to the Fund's US\$13 billion goal.

The delegations said that this figure is only the minimum of what is needed. "The Global Fund's [Investment Case](#) states that \$13 billion is just 80% of its full need. Without further investment, it will certainly mean communities disrupted, lives lost, and preventable new infections," they added. The full text of the statement can be found [here](#).

This reaction – applauding the success of the replenishment drive but saying that more money needs to be invested – was quite common. For example, on 17 September Mike Podmore, Director of STOPAIDS, a U.K. NGO, [said](#) that "despite very challenging economic and political contexts, the world has seized this critical moment to demonstrate their unwavering commitment to the fight to end AIDS, TB and malaria."

STOPAIDS.

"This replenishment will help keep us on the right trajectory to reach the targets of ending AIDS, TB, and Malaria by 2030," Podmore added. "But it is only just enough to do so. \$13bn is 80% of what the Global Fund needed to be fully funded and so this can only be the beginning of an ongoing fundraising effort for the Global Fund and for the broader global responses to the three diseases. If we don't continue to increase investment, then the epidemics will rebound to hit us twice as hard."

What follows is a sampling of the reaction from other organizations that underscored the need for more to be done.

“The Global Fund has reason to celebrate an increase in donor contributions,” [said](#) Mit Philips, a health policy advisor at Médecins Sans Frontières. “However,” he added:



“The success of the Replenishment conference should be balanced by the reality of who is at risk of being left behind. The truth of the matter is that the Global Fund lowered its ambitions and set the funding target at what it would be able to raise from donor countries, rather than what it requires to bridge the yawning gap in needs and to meet the challenges ahead in fighting the three killer diseases. The lower funding target is also aligned with the limitations the Global Fund has placed on how much funds some countries can receive and for which interventions.

“Celebration of the replenishment results will ring hollow if it means prematurely cutting support to middle-income countries that are grappling with growing epidemics or other countries with large unmet needs. We call for the Global Fund to have an honest reckoning of the impact of its policies and to put an immediate freeze on any further rationing of funding. The Global Fund must continue to raise and mobilise additional resources as a priority.”

In a [blog](#) published in the Huffington Post on 30 September, Chris Collins, president of Friends of the Global Fight, a U.S. organization, said that the global effort is currently underfinanced. “The Montreal meeting needs to be a launching pad for global health financing sufficient to make these epidemics history,” he said.

In a joint statement, Women4GlobalFund, the International Community of Women Living with HIV, and the Communities delegation on the Global Fund Board said, “With a fully funded Global Fund we hope to see interventions in countries go beyond the traditional biomedical approaches.... The Global Fund’s Strategy ... takes a strong stand on strengthening the response to HIV, TB and malaria by supporting programs that address gender inequalities and gender-related risks and removing gender related barriers that prevent people from accessing health services.”

W4GF advocate Talent Madziva said that the replenishment demonstrates that the development community is taking ending AIDS seriously. “These resources need to be prioritised correctly! Whilst we celebrate this replenishment we need to implement the right programmes and respond in accountable ways that places women and key population at the centre of responses – ensuring we are part of shaping and monitoring programmes and services) to achieve the right results.”

Some organizations were critical of individual countries’ pledges. “I am disappointed by the French position,” said Laurent Vigier, chair of Friends of the Global Fund Europe. (The contribution from France remained flat at €1.08 billion.) “Since the creation of the Global Fund, France has always taken more than its share to show its determination and express its

solidarity with the poorest, affected by these three epidemics. By making the decision not to increase its contribution for the next triennium 2017-2019, it is its exemplary and constant determination in helping the poorest which is undermined. An increase of France's pledge, even a symbolic one, especially in the harsh context that we are dealing with nowadays, would have had an amazing impact on the international community and would have given everyone even more hope that a better world is possible," Vigier said. *(The full statement is on file with the author.)*

On 15 September, Astrid Berner-Rodoreda, a spokesperson for Action Against AIDS Germany, said that her country's pledge of €800 million, a 33% increase over the €600 million pledged for the last replenishment, may not be sustainable. "Based on preliminary information," she said, "debt-to-health swaps as well as Germany's technical support for the Global Fund were for the first time calculated into Germany's contribution. The actual increase of the core contribution therefore only amounts to a meagre €25 million euros annually." *(The full statement is on file with the author.)*

See additional reactions in our [article](#) on the replenishment outcomes in GFO #296.

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