Independent observer of the Global Fund

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NEWSLETTER

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antiretrovirals. At the same time, however, the request calls for significant increases in prevention initiatives targeting key populations.

4. NEWS: Phase 2 of the Global Fund's RAI initiative in S.E. Asia focuses on malaria elimination

BY DAVID GARMAISE

The steering committee of the Regional Artemisinin-resistance Initiative in the Greater Mekong delta in Southeast Asia has submitted a funding request for a second phase of the program. Plans for Phase 2 reflect expert opinion that the only way to contain resistance to the *P. falciparum* strain of malaria is to eliminate malaria entirely in the region. The Technical Review Panel has completed its assessment of the funding request.

5. NEWS: Tanzania requests $700 million for HIV, TB and malaria from the Global Fund

BY GEMMA OBERTH

On 23 May 2017, Tanzania requested $703.4 million from the Global Fund for its HIV, TB and malaria programs as well as for building resilient and sustainable systems for health. Two new civil society principal recipients will implement a host of new and innovative interventions, including finding TB cases through "boda bodas" and "sputum fixers" and combining condoms with sanitary wear in dignity packs provided to out-of-school girls.

6. NEWS: Significant improvements required in managing cloud computing at the Global Fund, OIG says

BY DAVID GARMAISE

According to the Office of the Inspector General, the Secretariat has improved IT controls since the OIG's last IT audit in 2015. However, significant improvements are required in two areas – designing a cloud computing strategy; and managing the risks associated with cloud computing.

7. NEWS: $100 million for young women in first two windows of Global Fund requests

BY GEMMA OBERTH

In funding requests submitted to the Global Fund in window 1 and window 2, more than $100 million was proposed for adolescent girls and young women. In an eight-country analysis, the Global Fund has indicated that gender and gender-based violence was prioritized in seven out of eight countries, while no country has so far prioritized post-exposure prophylaxis or social protection. The Technical Review Panel has urged countries to use evidence-based approaches and plan for simple evaluations.

8. NEWS: Global Fund's next E.D. should be able to broker deals, pitch policymakers and reach into the private sector: Dybul

BY DAVID GARMAISE

Mark Dybul, the Global Fund's departing executive director, has some words of advice regarding the search for his successor. Rather than hire a technically minded public health expert, Dybul said, the Fund should be looking for someone who can structure

deals, make pitches to policymakers and reach into the private sector where the majority of people in countries with big disease burdens — like India and Indonesia — access their healthcare.

9. NEWS: Global Fund releases new guidelines on budgeting for grants

BY DAVID GARMAISE

The Global Fund has updated its August 2014 guidelines on budgeting for grants. The guidelines aim to ensure implementers understand the Global Fund's financial policies and procedures, and implement them in a consistent manner; and to "strike a better balance" between flexibility on the one hand, and efficiency, transparency and accountability on the other.

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ARTICLES:

1. NEWS: Global Fund's Technical Review Panel recommends 49 requests for grant-making in Window 2

Tailored requests were more likely to move on to grant-making than full reviews

Gemma Oberth 17 July 2017

At the end of June 2017, the Technical Review Panel (TRP) met to assess funding requests submitted to the Global Fund in Window 2 (23 May 2017). In this window, the TRP reviewed 54 funding requests, including 22 full reviews, 31 tailored requests and one iteration request. No program continuation requests were submitted in Window 2.

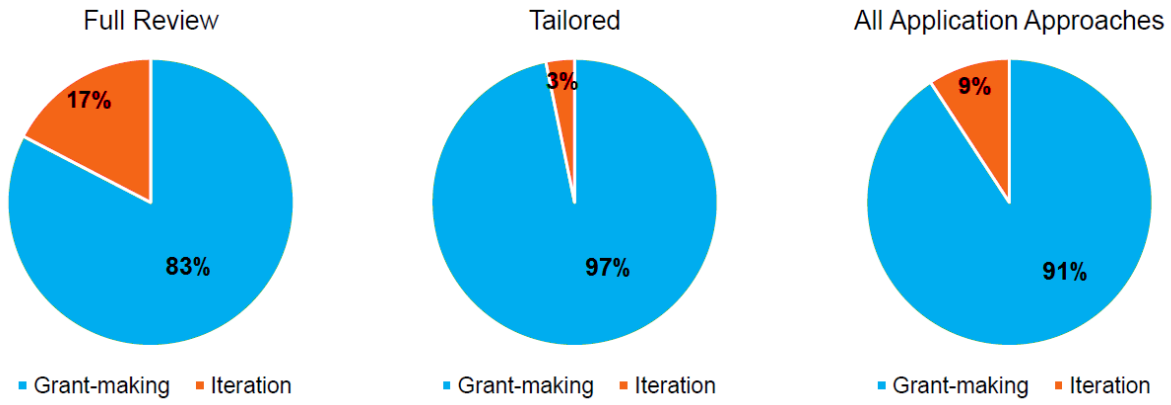
Of the 54 applications reviewed, 49 (91%) were recommended for grant-making (Figure 1). Tailored requests were more likely to be recommended for grant-making than full reviews.

The 49 applications recommended for grant-making translate to $3.6 billion in allocation funding recommended for grant-making, representing more than a third (35%) of total funding for the 2017-2019 cycle. Funding requests recommended for grant-making by the TRP in Windows 1 and 2 together account for 80% of total 2017-2019 funding.

An additional $1.7 billion was requested for prioritized above-allocation requests (PAAR) in Window 2. This represents 47% of the amount requested within allocation, in line with the Global Fund's guidance that the PAAR should be ambitious and represent at least 30-50% of the allocation amount.

Five of the funding requests submitted in Window 2 were sent back to countries for iteration (re-submission).

Figure 1: Technical Review Panel recommendations for Window 2 submissions



Along with the main funding request, 23 matching funds applications were also reviewed in Window 2, totaling $125.8 million. Almost half of this amount ($57 million) was for finding missing TB cases. Of these 23 matching funds requests, 19 were recommended for grant-making. As of the end of Window 2, 45% of total matching funds available ($356 million) have been approved for grant-making by the TRP.

Having reviewed this large batch of matching funds applications for finding missing TB cases, the TRP concluded that there was significant room for improvement in this catalytic funding area. The TRP said that countries with TB matching funds requests could improve by using bold approaches to addressing the major gaps in finding missing cases. Specifically, the TRP said, countries should provide more analysis of where and why TB cases are being missed, and should propose targeted interventions to population groups and in geographic locations where missing cases are likely to be.

In a survey of TRP members, the majority (87%) found the funding requests to be strategically focused and technically sound. While most (88.6%) TRP members believed that funding requests were aligned with national priorities as expressed in national strategic plans, fewer felt that the requests addressed gender-related and human rights-related barriers to services (58.5% and 54.7%, respectively). Slightly less than two thirds (62.2%) of members believed that requests demonstrated a strategic focus on resilient and sustainable systems for health (RSSH).

The TRP's main reflections from Window 2 submissions included the following:

- The differentiated application approach is a positive development.
- The overall application quality is good, but there are specific areas for improvement.
- Countries are not using their available data in an optimal way.
- RSSH applications need to be clearer about how they will improve delivery of interventions contained in the disease modules.

While acknowledging the merits of the differentiated application process, the TRP articulated several areas where tailored requests could improve. Specifically, regarding funding requests tailored to material change, the TRP voiced concern that applicants do not always make it

clear which aspect of funding requests constitute the material change. With respect to funding requests tailored to challenging operating environments (COEs), applicants did not always adequately address how the applicant will respond to the specific challenge stemming from the COE.

The TRP also noted that many proposals are still missing the "how?" aspect – i.e. missing a clear plan of action for implementation. In addition, as with Window 1, the TRP reiterated that interventions for key populations continue to be poorly articulated or completely absent from funding requests. Missing information on key population size estimates and legal environment assessments are an underlying issue.

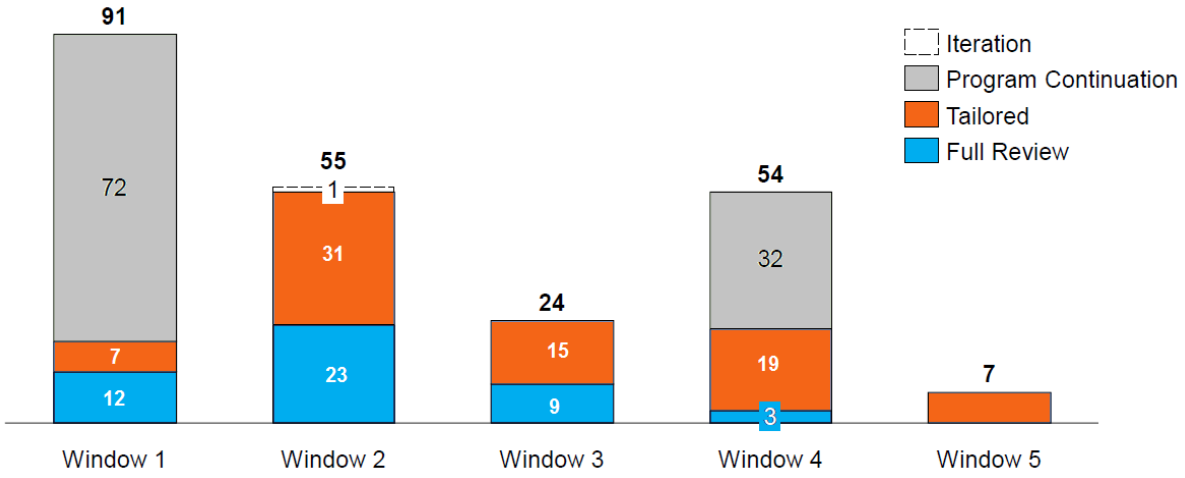
Another consistent TRP reflection from Window 1 was the need for more community systems strengthening. After Window 1, the TRP remarked that community system strengthening was hardly addressed, though countries were requesting extensive funding for community health workers. Similarly, after Window 2, the TRP noted that funding requests continue to focus more on community system *support* (e.g. salaries for community health workers) rather than on community system *strengthening* (e.g. building capacity of key populations networks). They recommended applicants include systems strengthening and strengthening capacity of community organizations to provide an interface with government at different levels. Building resilient and sustainable systems for health is one of the top-line objectives in the Global Fund's strategy for 2017-2022.

Another top-line strategic objective is to promote and protect human rights and gender equality. Among the TRP's Window 2 lessons learned related to this objective is that people in closed settings (prisoners) were not widely addressed in HIV, TB and malaria funding requests. This is despite prisoners being elevated in the new modular framework (see GFO article). Further, while the TRP noted progress in addressing gender-based violence (GBV) in general, GBV against men who have sex with men, transgender people and other key populations was not addressed. Last, although applicants prioritized reaching adolescents and young women, the TRP noted that these interventions "lacked targeting."

In terms of sustainability and transition, the TRP noted that the quality of value-for-money and sustainability analysis varied across funding requests. Acknowledging the volatile funding landscape for external and domestic resources in many countries, the TRP said countries need to build stronger narratives on how proposed interventions contribute to sustainability of disease outcomes. Better use of costing data and cost-effectiveness studies in the sustainably section of funding requests was suggested.

For Window 3 submissions (28 August 2017), the TRP is anticipating a relatively small batch of applications (24 in total; nine full review and 15 tailored) (Figure 2). Window 4 (January 2018) will be a larger submission wave, with 54 applications expected (three full reviews, 19 tailored applications and 32 program continuation). Seven tailored funding requests are expected in Window 5 (date not yet set).

Figure 2: Number of applications submitted/anticipated for window 1-5, by application type



Aidspan will seek to continue reporting on the TRP debriefs for the upcoming submission windows. For Aidspan's previous reporting on the TRP's Window 1 debrief, see GFO articles here, here and here.

Information in this article was sourced from the TRP's debrief presentation from Window 2 reviews, a copy of which is on file with the author. To obtain a copy of the slide deck, please contact gemma.oberth@gmail.com.

TOP

2. NEWS: Global Fund releases guidelines on transitioning between allocation utilization periods

If a country has unused funds in a current grant that has reached its end date it cannot carry these funds over to its new allocation

David Garmaise 18 July 2017

Under new rules established by the Global Fund, if there are any unused funds in an existing grant at the end of the allocation utilization period for that grant, the funds cannot be added to the next allocation. Instead, the funds must be returned to the Global Fund's general resource pool, to be used for portfolio optimization – e.g. to fund initiatives on the unfunded quality demand (UQD) register and to fill other funding gaps. Unused funds include undisbursed or uncommitted funds at the Secretariat level as well as uncommitted in-country cash balances.

This information is contained in an FAQ document recently released by the Global Fund, entitled *Guidance: Transition Between Allocation Utilization Periods*.

"Allocation utilization period," a relatively new term, is described by the FAQ document as "a [defined] three-year period during which the country allocation can be utilized to

implement programs. In most cases, the allocation utilization period and the grant implementation period are the same (more on this below).

In 2014, the Global Fund moved from a rounds-based funding model to an allocation-based funding model. The FAQ document explains that whereas the first cycle of the allocation model was associated with a number of flexibilities to enable this transition, the move to the second cycle represents a shift to the "steady state" of the model. We are currently in transition between the 2014-2016 and 2017-2019 allocation periods. This is the first transition between allocation periods since the new funding model was introduced – hence the need for guidance.

According to the FAQ document, the 2014-2016 allocations can be used for activities that were budgeted, approved and completed during the allocation utilization period associated with the country's 2014-2016 allocation.

The document distinguishes between financial commitments and financial obligations. Financial commitments are current contractual obligations to pay a specified amount against goods and services already received but not yet paid for. Financial obligations are current contractual obligations to pay an agreed amount to a supplier for the provision of goods or services not yet received.

The FAQ document states that financial commitments existing at the end of an allocation utilization period *can* be paid from that period's allocation. However, financial obligations existing at the end of an allocation utilization period *cannot* be paid from that period's allocation and must be covered by funds from the next allocation. The FAQ document provides the following example:

> A country's malaria allocation utilization period was from 1 January 2014 until 31 December 2017, and the implementation period was identical. All activities that were budgeted, approved and completed by 31 December 2017 can be financed from the 2014-2016 allocation even if the actual payment will only happen in February 2018 (e.g. commodities delivered in November 2017 that are invoiced in February 2018).

Financial obligations that exist at the end of an allocation utilization period should be identified during grant-making for the new grant and included in the relevant budget.

The FAQ documents states that in certain cases, payments related to goods or services delivered after the end of an allocation utilization period may be considered commitments that may be funded from the same allocation utilization period. For this to happen, the following criteria must be met:

- the implementing entity has placed the order for the goods or services at issue with adequate consideration for relevant lead times such that the goods or services were expected to be delivered before the end of the allocation utilization period;
- the delivery of the goods or services is delayed for reasons beyond the implementing entity's control; and

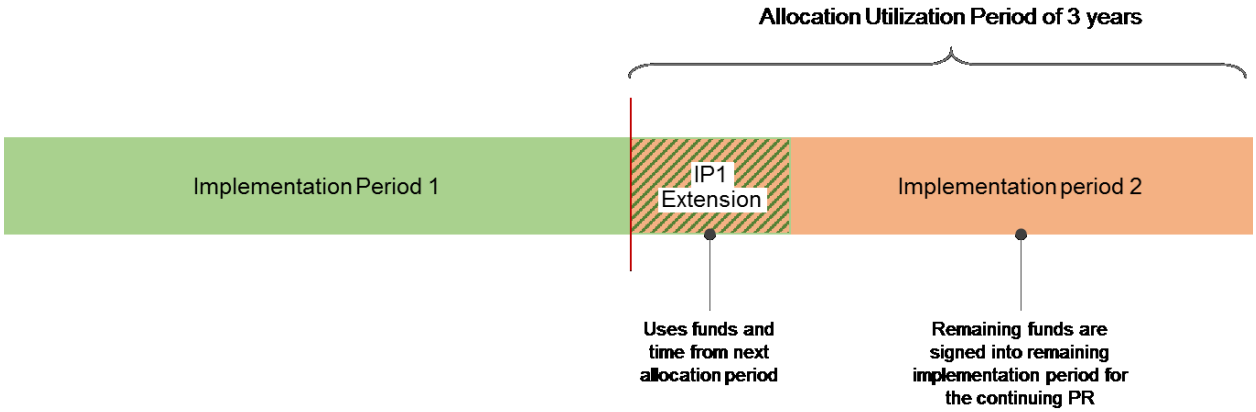
- the delivery of the goods or services is completed within maximum 90 days of the allocation utilization period end date.

If a grant receives a costed extension beyond the end date of the original grant implementation period, the cost of the extension must be paid with funds from the subsequent allocation utilization period. Here is an example of how this works:

- A TB grant funded from the 2014-2016 allocations has an allocation utilization period of 1 January 2015 to 31 December 2017, and a grant implementation period that has the same start and end dates.
- The grant receives a three-month costed extension – i.e. beyond 31 December 2017.
- The cost of the extension is paid with funds from the next allocation utilization period, 1 January 2018 to 31 December 2020. (The funds are from the 2017-2019 allocations.)
- The implementation period for the TB grant is extended by three months. The new dates are 1 January 2015 to 31 March 2018.

Allocation utilization periods for a given component never overlap. Thus, any extension to existing grants beyond the end date of an allocation utilization period – as in the above example – consumes funds and time from the subsequent allocation utilization period (see figure).

Figure: Relationship between the grant implementation period and the allocation utilization period when the grant receives a costed extension



Source: Guidance: Transition Between Allocation Utilization Periods, *Global Fund*

While the dates of a grant implementation period may change, the dates of an allocation utilization period, once they are set, do not change. While the length of the allocation utilization period is usually three years, it can be less or more than three years (though this should happen only infrequently now that we are into the second funding cycle). Grant implementation periods are also usually three years long, but can be more or less than three years. An implementation period is associated with an individual grant, while the allocation utilization period applies to all grants in a given component.

Readers are advised to consult the FAQ document for an explanation of how the allocation utilization period is determined when a component has grants with different implementation periods.

The FAQ document provides detailed guidance on how to determine in-country cash balances that need to be returned to the Global Fund or transferred into the next allocation period. The document also includes a section on reporting requirements when transitioning between allocation utilization periods.

Buffer stocks

Does the transition between allocation utilization periods impact buffer stocks?

Buffer stocks are stocks that should always be on hand at the national, regional, and district or facility level, to mitigate the risk of stock-outs due to delays in delivery of products or an unexpected increase in consumption. It represents the quantity of stock required to allow for variations in supply lead-times or consumption rates.

The FAQ document says that moving from one allocation period to the next should not have any impact on buffer stocks. It also says that "there should be no short-term increase in buffer stock levels at the end of an allocation utilization period." Translation: If you anticipate that there will be unused funds in your grant at the end of its allocation utilization period – funds that are going to lapse – you should not be using these funds to increase your buffer stocks beyond normal levels, however tempting this may be.

Additional guidance on transitioning between two allocation periods is provided in the *Guidelines for Grant Budgeting*, also released recently by the Global Fund (see separate GFO article in this issue).

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3. NEWS: Malawi's TB/HIV funding request to the Global Fund ensures no treatment disruption, increases services to key populations

Nearly all HIV drugs in Malawi are purchased through Global Fund grants

Charlie Baran and Abigail Dzimadzi 18 July 2017

On 20 March 2017, Malawi's country coordinating mechanism (CCM) submitted a joint TB/HIV funding request to the Global Fund for $384.8 million, along with a prioritized above-allocation request (PAAR) of $115.0 million, for a total request of just under a half-billion dollars. The within-allocation portion of the request ($384.8 million) includes $31.5 million for initiatives designed to build resilient and sustainable systems for health (RSSH). The CCM is proposing an implementation period of 1 January 2018 to 31 December 2020 for grants emanating from the request.

Malawi also submitted a malaria funding request valued at $65.7 million.

This article provides a summary of the TB/HIV funding request, including the RSSH portion.

The funding request is heavily tilted towards HIV programming (88% of total request), with 63% of HIV funds allocated for the purchase of antiretrovirals (ARVs). Global Fund grants have traditionally supported nearly all ARV procurement in Malawi. Thirteen percent of the HIV budget is devoted to prevention and testing initiatives. TB programs, which account for 3.6% of the request, are mostly focused on care and treatment for people living with TB, and addressing multi-drug-resistant TB cases.

The funding request used the "tailored – material change" approach, as suggested by the Global Fund in its December 2016 allocation letter. The tailored approach, rather than the more exhaustive "full review," was suggested because while Malawi is proposing some material changes to its programs, the changes are in limited and defined program areas. Also, the strategic plans on which the TB and HIV programs are based – i.e. the National HIV and AIDS Strategic Plan; the National Strategic Plan for Tuberculosis Prevention, Care and Control; and the National Prevention Strategy – are all ongoing; there have been no significant revisions to these plans.

In its allocation letter for Malawi, the Global Fund provided an indicative disease split as follows:

HIV – $370.8 million (82.3%)
TB – $9.0 million (1.9%)
Malaria – $70.7 million (15.6%)

Total – $450.5 million

However, the Malawi CCM determined that it wanted to boost the TB component and incorporate some RSSH investments. Thus, the CCM proposed – and the Fund accepted – a different program split, as follows:

HIV – $339.3 million (75.3%)
TB – $13.9 million (3.1%)
Malaria – $65.7 million (14.6%)
RSSH – $31.5 million (7.0%)

Total – $450.5 million

In addition to the core allocation, $10 million was made available to Malawi in the form of "matching funds" – $7 million to support programs for adolescent girls and young women (AGYW) and another $3 million for health data systems. To qualify for these awards, Malawi has to meet certain conditions. A request for these matching funds was included with the funding request.

Based on its allocation, Malawi continues to be among the top recipients of Global Fund grants. Despite this fact, some Malawians, including Maziko Matemba, Vice-Chair of the CCM, contend it is far from enough. "These allocations, pivotal as they are, as Malawi relies

heavily on Global Fund resources for her HIV, TB, and malaria programs, were far below the needs of the three programs," said Mr. Matemba. According to figures presented by the Malawi CCM during program split negotiations, the allocations for TB and HIV covered approximately 50% of the projected needs for the next three years. The malaria funding gap is much wider: The Global Fund contribution to malaria will cover only 30% of the estimated program needs for the next three years.

Key interventions proposed in the request

One of the primary investments of Global Fund grants in Malawi is the procurement of all HIV antiretroviral drugs. According to grant documents, at the start of 2017, Malawi had 679,056 people living with HIV who were on treatment. Treatment initiation has been on an upward trend since the nationwide adoption of "Test and Start" in September 2016, whereby newly diagnosed persons initiate treatment immediately. The funding request includes $214.0 million for ARVs, and additional amounts for treatment and prevention of opportunistic infections ($27.1 million) and viral load testing ($44.6 million). The request also includes $29.8 million for HIV prevention programs and $15.4 million for HIV testing services.

An important feature in this funding request is the significant investment in HIV care and prevention for key populations. Malawi proposes to increase the number of men who have sex with men (MSM) who receive a comprehensive package of HIV services from 1,350 in 2017 to 3,600 by 2020. In addition, the country has set a target of 6,000 sex workers receiving a comprehensive service package by 2020. This represents a 300% increase over current programmatic reach in this community.

The funding request includes HIV prevention and testing services for MSM and sex workers. Veronica Petro, a sex worker advocate from Chiradzulu, commended the inclusion: "I am happy to be considered in Global Fund programs. There must be an enabling environment for sex work and I need proper tools to do my work safely because I want to have a healthy life."

The funding request includes much-needed HIV services for people in prisons and other closed settings. Whereas Malawi has made significant progress in reducing HIV prevalence among the general population to the current rate of 8.8%, the country continues to face a disproportionately high level of HIV infection among prisoners; Malawi's two central prisons have HIV prevalence rates of nearly 40%.

This is the first time that Malawi is targeting this population. The request calls for $254,000 to be invested in a comprehensive service package for the country's 23 prisons. Activities include peer educator training and prison health day campaigns. Although it is a comparatively small investment, prisoner advocates see it as a step in the right direction.

"I have spent three years in prison and have seen first-hand how an inmate will arrive in prison healthy, only to leave infected with HIV and TB," said Max Mdoka, founder of Prison Partners for Health Improvement. "Inclusion of an allocation to cater for HIV programs in prisons will help us deal with this serious problem and change many inmates' lives."

Health systems

RSSH interventions account for $31.5 million, or about 8% of the funding request (7% of Malawi's total allocation), which is lower than the 10.1% the Global Fund cites (in its allocation letter) as the average RSSH investment for countries with similar income levels. RSSH investments are intended to strengthen overall health infrastructure and capacity, rather than produce specific disease-based outcomes. This section of the funding request includes seven modules. See the table for details.

Table: RSSH investments

Module	Amount ($ million)	Description
Procurement & Supply Chain Management	$14.0 m	Warehousing of HIV and malaria commodities
Health Management & Info Systems and M&E	$3.9 m	Improvements in health sector data collection, management, and reporting
Financial Management Systems	$4.8 m	Fiscal agent fees, audits, banking services, "program implementation units" operations
Community Responses & Systems	$1.9 m	Improving community-based monitoring, advocacy, social mobilization, CSO capacity building
Integrated Service Delivery	$1.6 m	Mostly targets the Malawi Blood Transfusion Service
Human Resources for Health	$3.3 m	Recruitment, retention, performance, and motivation of human resources
Program Management	$1.8 m	Malawi National AIDS Commission to carry out its role as coordinator of the national HIV response
TOTAL	**$31.3 m**	

Note: Discrepancy between this total ($31.3 million) and the amount for RSSH in the budget ($31.5 million) due to rounding.

One key RSSH investment area in the funding request is human resources. There is a persistent human resource management challenge in Malawi, as evidenced by the delayed staffing of 1,200 health care worker (HCW) positions over the course of the current grant, which hindered Malawi's ability to reach its HIV and TB targets. The funding request, therefore, includes capacity building of the Health Service Commission to address the recruitment challenges. The Commission is responsible for staffing health worker positions. The request also includes supplements to the salary and benefit packages for HCWs to enhance recruitment and retention outcomes.

Implementation arrangements

The funding request states that the current implementation arrangements will be maintained. There are two principal recipients. The Ministry of Health (MOH) will manage the various biomedical components of the program, which includes quantification, forecasting, storage and distribution of medicines and procurement of non-health products, service delivery at primary, secondary and tertiary facilities and interventions related to health system strengthening.

ActionAid International Malawi will be responsible for the non-biomedical interventions, such as community level service delivery and care, engagement and networking of community-based organizations, contribution to case finding at the community level, referrals, support for treatment adherence, and community mobilization and demand creation for services.

Developing the request

The timeline for Malawi to develop and submit its funding request was exceptionally tight: roughly three months from receipt of the allocation letter to submission of the request by the Window 1 deadline. Meeting this deadline was a priority for the CCM and the fund portfolio manager – and affected communities as well – because it was seen as critical to ensuring there would be no interruptions in drug procurements and other services supported by Global Fund grants.

Given the tight timeframes, an extraordinary commitment was required from the CCM and key stakeholders as they engaged in evidence-based negotiations and consensus building processes.

Malawian civil society organizations (CSOs), which have been somewhat marginalized during the current grant, strategized and took a proactive approach to the development of the funding request. The CSOs came together and approached the MOH to learn about the implementation challenges and what the MOH thought would be the best role for communities in addressing those challenges. One of the key challenges that the MOH highlighted was national progress on achieving the "third 90," a reference to the UNAIDS target of 90% of people on HIV antiretroviral therapy achieving viral suppression. Data shows that 24% of Malawians who test positive for HIV and who initiate treatment are not retained in care after twelve months.

"Although we believe that the true proportion of people retained on treatment at twelve months is higher than reported, this loss to follow up is still worrying and it calls for adequate treatment literacy and public education on [antiretroviral therapy]," said Dr. Thoko Kalua, Deputy Director of HIV and AIDS at the Ministry of Health.

This is an area where community systems can play an important role. As such, CSOs advocated for inclusion in the funding request of community-level interventions such as treatment literacy education and linkages to community-based support. These interventions were ultimately included. However, the overall investment in community systems was hampered by the decision to devote only 7% of the country's allocation to RSSH, which is the part of the funding request that covers community systems strengthening interventions.

Next steps

The Technical Review Panel (TRP) recommended that the funding request proceed to grant-making, which the PRs, CCM, and the Global Fund Secretariat are currently engaged in. The Malawi CCM is on track to address the TRP's clarifications and recommendations by 31 July, with hopes that a disbursement-ready grant can be signed by the end of the year.

This article was co-authored by first-time GFO contributor Abigail Dzimadzi. Abigail is Coordinator of the Malawi Network of AIDS Service Organizations, and was closely involved in the development of the funding request.

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4. NEWS: Phase 2 of the Global Fund's RAI initiative in S.E. Asia focuses on malaria elimination

TRP has completed its review of the funding request

David Garmaise 18 July 2017

Working towards the elimination of malaria in the Greater Mekong Sub-Region (GMS) of Southeast Asia is the goal of the second phase of the Regional Artemisinin-resistance Initiative (RAI).

Earlier this year, the RAI's Regional Steering Committee (RSC) – which is composed of governments from the five countries, funders, multilateral agencies, technical partners, scientific researchers, communities, and the private sector – submitted a detailed funding request to cover Phase 2. Aidspan has obtained a copy of the funding request.

The RAI, which is the Global Fund's largest regional grant, was launched in 2014 in response to the emergence of drug-resistant malaria in the GMS, first noted in Cambodia and Thailand, and later in Myanmar, Lao and Viet Nam. These are the five countries that make up the RAI.

When it was launched, the RAI had a budget of $100.0 million and covered the period from 1 January 2014 to 31 December 2016. In December 2016, the Global Fund extended the grant to 31 December 2017 and provided $15.5 million in additional funding. The Phase 2 funding request is for $242.4 million. The RSC is proposing that Phase 2 start in January 2018 and run for three years. The RSC also submitted a prioritized above-allocation request (PAAR) in the amount of $16.5 million.

(One might be forgiven for thinking that Phase 2 has already been approved. On World Malaria Day, 25 April 2017, the Global Fund issued a news release announcing the RAI expansion into Phase 2 and indicating that the projected cost was $242.0 million. Obviously, the Secretariat needed something that it could trumpet on World Malaria Day. At that time, the Technical Review Panel had not yet completed its review of the Phase 2 funding request. It has now done so. The request is now entering the grant-making phase.)

If the requested $242.4 million is approved, $119.0 million will come from the $272.0 million set aside for multi-country programs for 2017-2019. The remaining $123.4 million will come from the allocations to the five countries involved in the RAI.

The funding request says that the initiative is being renamed "the RAI2 Elimination Program" or "RAI2E" in line with the malaria elimination goal adopted by all five GMS

countries. The majority of the budget for the RAI2E grant ($208.4 million) will be allocated to national programs in the five countries, but $34.0 million will be dedicated to a regional component that focuses on ensuring malaria service coverage for remote populations in border areas. These are the people who face the highest risk and are least likely to have access to formal health centers.

"With the RAI investment bolstering national funding and the commitment of partners from all sectors, elimination is possible," said Izaskun Gaviria, the Global Fund's senior fund portfolio manager for the RAI. "The threat of drug resistance going global means we absolutely must finish the job. Failing to do so would squander the opportunity in the Mekong and be a huge setback for health security globally."

In the balance of this article, we provide a summary of the funding request, with a particular focus on the regional component.

Reviewing Phase 1

In the funding request, the RSC said that in Phase 1 the RAI contributed to a sharp decline in malaria transmission in the GMS. Between 2012 and 2015, malaria incidence has been reduced by more than 54% and mortality is down by 84%. There were many notable successes in Phase 1. The following examples were taken from information that the Secretariat provided Aidspan:

- Between 2014 and 2016, the percentage of the population covered by insecticide-treated bed nets increased from 30% to 92%.
- In Cambodia, in 2014-2016, almost three-quarters of a million people were tested for malaria using rapid diagnostic tests (RDTs) and slides. Over 65,000 confirmed cases were treated.
- In Myanmar, in 2014-2016, more than 81,000 confirmed cases of malaria were treated.
- In Vietnam, in 2014-2016, over two million insecticide-treated bed nets were distributed to at-risk populations.
- In Thailand, in 2014-2016, almost 4.3 million people were tested for malaria using RDTs and slides. Almost 60,000 confirmed cases were treated.
- The number of community malaria volunteers trained in remote areas increased from 435 in 2015 to 2,407 in 2016.

The number of confirmed cases of *P. falciparum* malaria in the Karen region of Thailand, along the border with Myanmar, was reduced to nearly zero.

However, the RSC said in the funding request, the spread of antimalarial drug resistance threatens to undermine these gains. To date, resistance of malaria parasites to artemisinin – the core compound of the best available antimalarial medicines – has been detected in all five countries of the GMS. In some areas, resistance to artemisinin and its partner drugs has attained alarming levels, with treatment failure reaching up to 25% in Cambodia.

While Phase 1 of the RAI was being implemented, there were some significant developments in the epidemiology of the resistant strain of malaria (*P. falciparum*) as well as some major scientific discoveries. The resistant strain was not only spreading in places where it already existed, but it was also emerging in new places. Experts came to the realization that it was not possible to contain resistance to the *P. falciparum* strain of malaria. The only strategy that effectively deals with resistance is to eliminate the spread of malaria.

These developments pointed to the need for accelerated regional elimination strategies, the funding request explained. The World Health Organization (WHO) developed a "Strategy for Malaria Elimination in the GMS, 2015-2030." The WHO Strategy is based on the following overarching goals:

- Eliminate malaria by 2030 in all GMS countries and, considering the urgent action required against multidrug resistance in the GMS, eliminate P. falciparum malaria by 2025.
- In areas where malaria transmission has been interrupted, maintain malaria-free status and prevent reintroduction.

Other new strategies were introduced, such as the decision to involve village malaria village workers in the response.

Phase 2 (RAI2E)

The funding request proposes significant changes to the implementation arrangements for RAI2E. In Phase 1, the RAI operated only at a regional level, with the U.N. Office for Project Services (UNOPS) serving as principal recipient (PR). Each country also had a separate malaria grant covering national activities with various agencies serving as PR.

This arrangement was deemed to be inefficient. All of the national NFM grants end in 2017, so the Global Fund decided that in 2018 and beyond, all Global Fund malaria funding for the five countries will be in one grant, RAI2E, managed by UNOPS.

As indicated above, the RSC proposes to invest $208.4 million in national programs in 2017-2019. See Table 1 for information on what each country will receive. The funds for national programs will be disbursed by UNOPS directly to governments and civil society organizations (CSOs) in each country.

Table 1: Breakdown by country of the funding awarded for national malaria programs in RAI2E in 2017-2019

Country	Amount of funding (US$ million)
Cambodia	$43.0 m
Lao	$13.3 m
Myanmar	$96.2 m
Thailand	$23.2 m
Viet Nam	$32.6 m
Total	$208.4 m

Source: Funding request for Phase 2 of the RAI

Note: Discrepancy in the total is due to rounding.

Table 2 provides a list of the modules and high-level interventions for the national programs component of RAI2E.

Table 2: List of modules and high-level interventions for the national programs component

Module	High-level intervention
Module 1: Case Management ($77.3 million)	1.1: Facility-based treatment
	1.2: Integrated community case management
	1.3: Active case detection and investigation
	1.4: Therapeutic efficacy surveillance
	1.5: Private sector case management
	1.6 IEC/BCC
Module 2: Vector Control ($39.2 million)	2.1: Entomological monitoring
	2.2: LLINs – Mass campaign
	2.3: LLINs – Continuous distribution and distribution to MMPs
	2.4: Indoor residual spraying
Module 3: Program Management ($63.7 million)	3.1: Policy, planning, coordination and management of national disease programs
	3.2: Grant management

The funding request states that keeping the momentum from Phase 1 going will require a high-level commitment by governments and players across the region and at all levels. "This includes harmonizing the RAI2E with national program cycles, coordinating with the national country coordinating mechanisms (CCMs), taking part in high-level discussions with the ministries of health at Director General level (all of which has now begun, and will be intensified)," the request states. "In addition, the RSC must continue to engage with regional institutions and initiatives."

With the decrease of the malaria burden across the region, the disease is increasingly concentrated among certain populations that are often outside the reach of public health services. These key affected populations are described in Table 3. The funding request prioritizes the expansion of services to these populations.

Table 3: Key affected populations – Malaria in the Greater Mekong Sub-Region

Static populations	Mobile and migrant populations
• Established villages of ethnic minority groups and communities close to forested areas. • Internally displaced persons (IDP) • Camps associated with large-scale construction projects (dams, bridges, mines, etc.) • Settlements associated with plantations (rubber, oil palm, food)	• Traditional slash-and-burn and paddy field farming communities visiting their forest farms • Seasonal agricultural laborers • Military patrols, border guard forces, and armed groups • Forest workers in the formal sector (police, border guards, forest/wildlife protection services) • Forest workers in the informal sector (hunters, small-scale gem/gold miners, people gathering forest products such as precious timber, construction timber, rattan/bamboo) • Transient or mobile camps associated with commercial projects (road/pipeline construction, large-scale logging, deep sea port projects) • Formal and informal cross-border migrant workers (legal and illegal workforces), including military working abroad

Source: Funding request for Phase 2 of the RAI

The request said that as countries transition from malaria control to elimination, active community engagement in all aspects of the response will be increasingly critical to the success of the regional elimination goal. It said that the first phase of the RAI demonstrated the impact and effectiveness of a community-based and community-led response in reaching hard-to-reach populations. An important factor to this success, the request said, is the shifting of the community's role from being a passive recipient of services to being an active participant and contributor to the response. Strengthening community ownership and engagement, in particular increasing and maximizing the roles of community stakeholders – e.g. malaria health workers, community health workers, outreach workers, and community- and civil society organizations (CSOs) – and providing them with adequate resources and political and policy support "will play a critical role in sustaining and achieving the elimination agenda," the request stated.

The funding request said that mobile and migrant populations (MMPs) face obstacles in accessing equitable and essential health care for a variety of reasons, including living and working conditions, education level, gender, irregular migration status, language and cultural barriers, legal status, and a lack of migrant-inclusive health policies. The request said that there is a need for more robust analysis of information on human rights and gender and that, to address this need, the regional component of the RAI2E will support a regional CSO platform (more on this below).

Regional component of RAI2E

The regional component focuses on maximizing malaria service coverage for remote populations in border areas, piloting innovative interventions to deal with residual malaria transmission, stimulating innovative ways to speed-up elimination, supporting countries to move from malaria control to malaria elimination, and building strong multi-sectorial partnerships.

The regional component also aims to address overarching issues affecting national strategies, to enhance country components and to ensure regional coherence.

The funding request described seven "packages" (i.e. strategies) for RAI2E, as follows:

1. Extend access to prevention tools and case management services amongst hard to reach populations through "Inter-Country Projects" (ICP) that go beyond what is described in country components.
2. Stimulate operational research and innovation to guide policy.
3. Ensure the availability of quality health products across the GMS.
4. Strengthen regional surveillance.
5. Monitor anti-malarial drug efficacy and treatment policy updates.
6. Support constituencies to improve and expand delivery in country components through regional multi-sectoral collaboration.
7. Support the enabling environment to ensure quality implementation of the RAI2E.

We provide additional information on each of these packages below.

Inter-Country Projects

RAI2E will expand prevention, testing and treatment coverage for hard-to-reach populations at risk, including through cross-border approaches. Proposed activities include establishing malaria posts, and deploying village malaria workers and mobile malaria workers in underserved areas, in areas considered a "source" for parasite migration, and along travel routes frequented by high-risk migrant populations. They also include distributing personal protection tools through innovative methods to mobile and migrant populations routinely exposed to malaria vectors.

In addition, where supported by national programs, the RAI2E will implement mass treatment to dramatically reduce the malaria burden in settled populations not routinely accessing current prevention tools or diagnosis and treatment services.

Operational research

The plan is to continue a "learn-by-doing" approach that was successful in Phase 1, whereby research projects strive to have substantial impact, while at the same time collecting data for evaluation. The research will be designed to define optimal and sustainable approaches for prevention, diagnosis and treatment in response to a rapidly changing malaria epidemiology;

and to accelerate the transition from control to elimination by piloting new tools and making surveillance a core intervention.

The provision of case management services at community level has proven to be highly successful. Operational research will be conducted to explore extending the service package to address other health needs and tackle sustainability issues associated with elimination. An extended role for community health workers, including case investigation, focus investigation, active case detection, mass or focal screening, and treatment using highly-sensitive rapid diagnostic tests (RDTs), will be piloted.

In addition, research will be conducted on, among other things, the effectiveness of the highly sensitive RDTs; and the materials used for bed nets.

Phase 2 will also see the establishment of a regional Innovation Lab.

Ensuring quality health commodities

The goal of this package is to ensure improved access to quality-assured and appropriate combination antimalarial products and ensure their appropriate use in all GMS countries. Examples of the activities in this package are as follows:

- identify key national and cross-border regulatory and enforcement actions for stopping illegal activities;
- provide capacity building support on how to strengthen national legal frameworks to deal with substandard and falsified products;
- develop capacity to implement a risk-based market surveillance system; and
- support the national regulatory authorities to provide public information and education in local languages on the risks of using inappropriate medicines.

Strengthening regional surveillance

In Phase I of the RAI, the initiative supported the development of a Regional Data Sharing Platform (RDSP) by the WHO. One of the goals of the regional surveillance package in Phase 2 is to transform the focus of the RDSP from "control" to "elimination." Other goals are as follows:

- to facilitate regional data sharing while strengthening capacity of national programs to generate, analyze, store, share and use information to target interventions;
- to establish case-based surveillance to accelerate malaria elimination;
- to strengthen capacity of countries to generate timely quality data; and
- to complement RDSP efforts with strong and regular WHO technical assistance in surveillance and M&E, to provide hands-on support in each country as per their respective needs, and to lead efforts towards a harmonized regional approach.

Monitoring drug efficacy and treatment policy updates

The main objective of this package is to inform policy makers on treatment efficacy and the drug resistance situation, and to provide evidence for appropriate treatment options to support malaria elimination.

The recent rapid spread of antimalarial resistance has intensified the need for routine monitoring of drug efficacy. Therapeutic efficacy studies (TES) are the gold standard; they remain the main source of information on which to base selection of antimalarials. However, areas with low malaria transmission do not have enough patients to use the standard WHO TES protocol. Instead, the RAI2E proposes to incorporate into routine case management the collection of efficacy data during the 28-day follow-up of patients. In addition, filter paper blood spots will be collected for monitoring molecular markers (MMs).

Supporting constituents to improve service delivery

The RSC intends to enhance high-level regional, political and multi-sectoral engagement to support country-level elimination efforts. In line with the Roll Back Malaria multi-sectoral action framework, this package aims to enhance collaboration with CSOs, the corporate sector and defense ministries. As a principle, the RSC intends to allocate approximately 1% of the overall funding envelope to strengthen and build relationships to leverage political support in order to reinforce service delivery capacity at country level.

One of the objectives of this package is to facilitate effective and meaningful collaborations between communities affected by malaria, CSOs, governments, private sector, donor agencies, technical partners and other stakeholders in the design, implementation and monitoring and evaluation of malaria programs and policies. Another objective is to ensure that the principles of communities, rights and gender are championed in the "last mile" response in national and regional elimination programs. A third objective is to strengthen and promote the capacity and engagements of affected malaria communities and civil society in critical health and development agendas.

One of the activities of this package is supporting a regional CSO platform to address issues of access to service by vulnerable and affected communities. The funding request said that CSO participation can help to ensure that the communities are informed and empowered.

Supporting the enabling environment

The funding request states that a review of the RAI conducted in December 2015 emphasized the "vital importance" of providing a higher level of implementation visibility at the sub-national level in the GMS. To help track progress, RAI2E will establish a semi-permanent independent monitoring function. In addition, RAI2E will strengthen the oversight function of the RSC by, among other things, establishing a formal oversight committee and by recruiting additional staff for the RSC secretariat.

Resilient and sustainable systems for health

The funding request included RSSH initiatives. Several initiatives have been incorporated into the country components. They include the strengthening of national information systems and protocols for surveillance and response activities particularly at the provincial, district and commune levels. Activities include the training of peripheral health staff and village health workers to enable them to implement more effective malaria control interventions, including providing treatment.

The funding request also includes separate modules on health management information systems; procurement and supply chain management systems; community responses and systems; human resources for health; and integrated service delivery and quality improvement.

Prioritized above-allocation request

The $16.5 million PAAR consists of additional activities in the national programs of four of the five countries: Lao, Cambodia, Viet Nam and Thailand.

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5. NEWS: Tanzania requests $700 million for HIV, TB and malaria from the Global Fund

Two new civil society PRs will implement new and innovative programs

Gemma Oberth 14 July 2017

Tanzania has requested $703.4 million from the Global Fund for its HIV, TB and malaria programs as well as for building resilient and sustainable systems for health (RSSH). The country submitted an integrated TB/HIV funding request as well as a malaria/RSSH request, both on 23 May 2017. The TB/HIV funding request was for $426.3 million, of which $38.4 million was a prioritized above allocation request (PAAR). The malaria/RSSH request was for $260.1 million, of which $71.4 million was a PAAR. A matching funds request for $17.0 million was also submitted.

Tanzania proposed an implementation period of 1 January 2018 to 31 December 2020 for all grants emanating from the funding requests.

The funding will be implemented by three principal recipients (PRs): Ministry of Finance, Amref Health Africa and the Benjamin Mkapa Foundation. Both Amref (for TB/HIV) and the Benjamin Mkapa Foundation (for malaria) are proposed as new PRs. Amref will replace Save the Children as the civil society PR for the TB/HIV program. The TB/HIV funding request states the decision was made through a transparent, competitive and participatory process. The Benjamin Mkapa Foundation will join the Ministry of Finance in managing the

malaria grant. The malaria/RSSH funding request states that this change is in response to the Global Fund recommendation for dual track financing.

Tanzania's high disease burden and low-income status make it the Global Fund's second largest investment portfolio (next to Nigeria). For the 2017-2019 funding cycle, Tanzania was allocated $579.6 million dollars, representing 5.6% of total Global Fund investment for that period. Tanzania is East Africa's largest country, with an adult HIV prevalence of 5.6%, a TB prevalence of 528/100,000 population, and a malaria prevalence of 15%. Without Global Fund support, Tanzania would be faced with a $1.1 billion shortfall for the three diseases over the next three years, according to the estimated need presented in the funding landscape tables attached to country's funding requests. Even with Global Fund investment, it is clear that a gap will still remain.

Despite this expressed need, the PAAR request for TB/HIV is noticeably small. The Global Fund encourages countries to be ambitious with the PAAR, suggesting they should represent at least 30-50% of the allocation amount. Tanzania's TB/HIV PAAR represents just 7.9% of the within allocation request. This may be a missed opportunity since some of the PAAR activities may be able to be funded through savings made during implementation of the grants in the Global Fund's portfolio, or as additional funding becomes available.

This is the first application Aidspan has come across where the RSSH funding request was integrated into the malaria application. Most 2017 applicants are choosing to integrate RSSH into their TB/HIV applications (including Malawi, Mozambique, Nigeria, Swaziland, Zambia and Zimbabwe). The Global Fund's instructions state that "all applicants are encouraged to submit a joint funding request that includes all eligible components (i.e. RSSH, HIV/AIDS, tuberculosis and malaria, as applicable)." So far, Aidspan is only aware of three countries that have gone with this option (Cape Verde, Sudan and Sao Tome & Principe). Tanzania's choice to integrate RSSH with its malaria request may be because malaria is the leading cause of morbidity and mortality in Tanzania for all age groups, and so can be expected to benefit the most from the RSSH activities.

Tanzania's allocation letter recommends the country maintain or increase its proportional investment in RSSH, which is at 9.3% of its current grants. The letter also provides a benchmark of 10.1% for RSSH investments in Global Fund countries with similar income levels. Ultimately, the country prioritized RSSH below this recommendation: It dedicated $43.5 million to RSSH, representing 7.3% of the country's allocation.

In March 2017, Aidspan reported that several Global Fund-supported programs had been suspended in Tanzania amid tensions around service provision for MSM in particular, though the crackdown also affected service delivery for sex workers (see GFO article). The funding request does not make mention of the suspension of services, instead suggesting that implementation of key population interventions was hindered in the current grant by the absence of relevant guidelines. The country asserts that these guidelines are now available and implementation will be accelerated.

Without addressing the suspension of services for key populations in the current grant, the country requested $18.6 million for comprehensive prevention programs for men who have sex with men (MSM), sex workers, people who inject drugs, and other vulnerable populations, such as mine workers and fisher folk. The request relies on the country's investment case to support the prioritization of services for MSM and sex workers, indicating that an optimal response would require at least 80% coverage of MSM and 50% coverage of sex workers.

Beyond key populations, HIV prevention overall has been given greater weight in the TB/HIV funding request. In total, 12.6% of the request is dedicated to HIV prevention. This is more than double the proportion (5%) that was requested in the country's concept note for the 2014-2016 funding cycle (see GFO article).

For TB, the largest single investment ($9.2 million) of the $31.9 million allocation request is dedicated to covering the costs of drugs for all patients. Another $1.0 million is earmarked for renovating and equipping TB-specific lab infrastructure and procuring lab commodities. The TB/HIV funding request specifically highlights children as a priority key population for TB, aiming to increase childhood case notification to 15% with the Global Fund investment. It also points to the mining sector as an important collaborating partner, proposing an epidemiological study for TB in the mines as well as cross-border linkages with Zambia and Kenya for targeting miners.

More than half ($77.6 million) of the malaria allocation request is dedicated to long-lasting insecticide-treated nets (LLINS). This investment is expected to provide insecticide treatment net coverage at least 85% over the grant period.

The largest single investment of the RSSH request ($10.9 million) will support health facilities to enable them to operate at optimal level and provide comprehensive and integrated services for women, children and adolescents – as per basic health facility standards and in line with the county's quality of care framework. The funding request specifically states that one of Tanzania's priorities is to improve services for pregnant women and children.

Matching funds

Along with a large overall allocation, Tanzania is also eligible for $17 million in matching funds. Of this amount, $8 million is for adolescent girls and young women (AGYW), $6 million for finding missing TB cases, and $3 million for data systems, data generation and data use. The country has met (or exceeded) the 1:1 criteria for all three matching funds categories, dedicating an equal (or greater) portion of its allocation to these priority areas.

In the matching funds request for AGYW, the country proposes some innovative and high-impact approaches. For instance, funding is requested for the design and roll-out of an 18-month pilot project on innovative approaches for the sale and distribution of male and female

condoms, such as co-packaging condoms with sanitary towels for AGYW out of school. Cash transfer programs (called "cash plus") are also prioritized, involving scaling up cash transfers and bundling them with health and social services provided to vulnerable families of AGYW. Cash transfers have been shown to have significant impact on reducing new HIV infections among AGYW, primarily by keeping girls in school.

In the matching funds request for finding missing TB cases, the country proposes investing in 106 private motorcycles drivers (called "boda bodas") to strengthen sputum referrals from the peripheral health facilities to those with GeneXpert machines. Funding is also requested to support "sputum fixers" in the 15 regions with the lowest TB detection. Sputum fixers are persons who comb communities in rural Tanzania, asking people who suffer from a cough to give a sample of mucus (sputum), which they then "fix" on a slide and deliver by bicycle to distant laboratories for analysis.

In the matching funds request for data systems, data generation and data use, Tanzania proposes digitalizing the health management information system (HMIS). Two-thirds of the matching funds request is dedicated to this activity. This funding is intended to procure phones, tablets and computers for seven regions of the country, complementing funding for this endeavor provided by the U.S. government and the Gates Foundation in other regions. The funding request refers to the digitalization of HMIS as a "massive investment" where several partners are joining forces to transform the data landscape in the country.

Domestic financing

To sustain the impact of the proposed investments, Tanzania's funding requests point to the National Health Financing Strategy as a key mechanism to increase domestic resources for health. Activities within the strategy include advocating for increased health budget allocation from Ministry of Finance, proposing earmarked taxes or funds, and increasing coverage in health insurance schemes. The requests state that by 2020, government allocations to health will reach 10.5%, and 50% of all Tanzanians will be enrolled in health insurance schemes.

The Technical Review Panel (TRP) met from 19-28 June 2017 to review funding requests submitted in Window 2. The TRP's response to Tanzania's funding request is anticipated this month.

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6. NEWS: Significant improvements required in managing cloud computing at the Global Fund, OIG says

IT controls deemed partially effective

David Garmaise 17 July 2017

While the Secretariat has improved its IT controls since the last IT audit conducted by the Office of the Inspector General (OIG) in 2015, significant improvements are required in two areas: (a) designing a cloud computing strategy; and (b) managing the risks associated with cloud computing.

The OIG recently concluded an audit on cloud computing at the Global Fund. A report on the audit was released on 28 June 2017 (see GF-OIG-17-013).

The audit report defines "cloud computing" as the delivery of on-demand computing resources, ranging from applications to data centers, over the internet on a pay-for-use basis. The Global Fund started using cloud computing as an approach to IT service delivery in 2014. Approximately 60% of IT infrastructure and applications are currently managed by external providers through cloud computing techniques, as well as related types of outsourced and hosted services.

Overall rating

The growth of cloud computing has improved the flexibility of IT operations through better availability of services, the OIG said. "However, the absence of an overarching strategy and limited management of associated risks have affected the effective roll out of cloud computing." The OIG concluded, therefore, that **significant improvement is needed** to (a) design a cloud computing strategy aligned to the Global Fund's business needs and (b) to manage the related risks.

The OIG said that the Secretariat has improved its IT controls since the last OIG IT audit, though there remain areas for improvement in cloud computing-related data access and accuracy. Nevertheless, the OIG said, no significant instances of data loss or service interruption have occurred since 2015. The OIG concluded, therefore, that the basic IT controls are **partially effective.**

The four tiers in the OIG's rating scheme are "effective"; "partially effective"; "needs significant improvement"; and "ineffective."

> *Editor's note: There are two reports on the 2015 audit: (1) "Effectiveness of IT Controls at the Global Fund," 11 March 2015; and (2) "Effectiveness of IT Controls at the Global Fund (Follow-Up Report)," 26 November 2015. In the OIG's database of audit and investigations reports, both reports, though listed separately, bear the same date (26 November 2015) and the same number (GF-OIG-15-020)*

Findings

The OIG noted that the Global Fund's IT Department has grown significantly since 2015, in line with the business needs of the organization. The OIG said that basic IT controls have improved since the last OIG audit. At the time, the OIG "had identified serious weaknesses and security gaps, which could have been exploited to inflict harm on the organization. Those fundamental weaknesses have since been materially addressed."

The OIG said that the adoption of cloud computing as a general approach to service delivery is not guided by a clear strategy and implementation plan. "This approach to limit the amount of services delivered directly through Global Fund–owned or –controlled infrastructure has compounded an already fragmented IT infrastructure," the OIG observed. In addition, it said, the Secretariat has not duly considered the long-term impact of cloud computing on the organization. "Cloud computing at the Global Fund has evolved naturally with neither a defined approach nor roll-out plan. The absence of a clearly formulated rationale and defined targets for cloud computing make it difficult to evaluate actual progress after three years of implementation."

Cloud computing has increased the availability of IT services and reduced the need to manage an on-site data center at the Global Fund, the OIG said. Most of the cloud-based applications use the security, back-up and disaster recovery capabilities of the service providers. The applications and software are regularly updated by the service providers.

Risk management

Cloud computing generally results in the transfer of several IT risks to a cloud services provider, the OIG said. However, the IT risk profile of the organization changes such that there is increased exposure to other types of risk such as data management, supplier performance and legal risks. For instance, the OIG said, cloud computing enables the Global Fund to store data in various locations, which reduces the risk of total loss in case of a significant data incident. At the same time, however, there may be an increase in legal risk as confidentiality of the Global Fund data may be weaker if stored in countries that do not provide privileges and immunities to the organization and that could subpoena its records. Furthermore, the OIG said, there may be a risk that the Global Fund becomes too dependent on certain providers who could exploit this dependency to make unfavorable changes in contractual terms.

"These and similar risk trade-offs have not yet been formally assessed," the OIG said.

Governance

The gaps in the cloud strategy and implementation plan are due to the limited IT governance mechanisms at the Global Fund, the OIG said; there are no established governance structures to review and approve major IT decisions. The OIG noted that an Enterprise Architecture Board was founded in May 2016 by the Chief Information Officer to improve IT governance. The board consists of the Chief Information Officer, the IT Project Management Office and IT business partner managers. However, the OIG said, the board has been unable to execute its role effectively for several reasons, including the fact that the body was not recognized

and accepted by the Secretariat's internal project steering committees as an IT decision-making body within the Global Fund.

"The lack of a formalized governance process means that the [Global Fund] Board has not been involved in most IT decisions," the OIG said. "The Management Executive Committee has not yet reviewed the adoption of cloud computing, [or] defined the target objectives or progress against those targets, the risk trade-offs and mitigation of keys risks."

Disaster recovery

Following the OIG's audit of IT controls in 2015, disaster recovery plans were developed for the key applications that existed at that time, including the treasury management, grant management and enterprise resource planning applications. The OIG said that these plans should be improved. The plans do not prioritize the information to be recovered in line with data classification, the OIG said. As well, there is no evidence that business stakeholder engagements were incorporated in the recovery plan for the grant management application. (A spokesperson for the OIG explained to Aidspan that the OIG believes there should be a consultative approach to designing and negotiating a disaster recovery solution based on business-critical priorities.)

Disaster recovery plans have yet to be prepared for two applications procured after the 2015 audit, the OIG said. For these applications, in line with the contract signed with the service provider, the Secretariat remains ultimately responsible for the recovery of its data in the event of a disaster. However, the Global Fund currently has no mechanism to back up the data in those two applications and there are no alternative plans to recover the data in the event of system failure.

According to the OIG, these two applications hold the majority of Global Fund business documents and are used as the main knowledge management tools. Some of the documents in these applications include grant agreements, grant performance reports, contracts with service providers and electronic communication with various stakeholders. The risk of data loss materialized in December 2014 when there was a major documentation retention system storage incident. This resulted in the loss of access to documents and emails, in some cases for over a week. Disaster recovery arrangements have materially improved since this incident with disaster recovery tests being performed regularly for applications held within the private externally hosted cloud.

Agreed management actions

In response to the OIG's findings, the Secretariat has agreed to implement several actions, including the following:

- Develop an IT strategy with clear objectives for approval by the Management Executive Committee.
- Enhance IT governance mechanisms through an overhaul of the existing Enterprise Architecture Board.

- Improve the management of IT risks through the identification of potential cloud computing risks, an impact assessment and the institution of measures to mitigate the risks. The identified risks and related mitigation measures will be incorporated into the Global Fund Organizational Risk Register which is reviewed by the Management Executive Committee on quarterly basis.
- Develop a segregation of duties matrix for outstanding applications and further enhancements and testing of disaster recovery plans.

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7. NEWS: $100 million for young women in first two windows of Global Fund requests

A further $50 million was proposed in prioritized above allocation requests

Gemma Oberth 18 July 2017

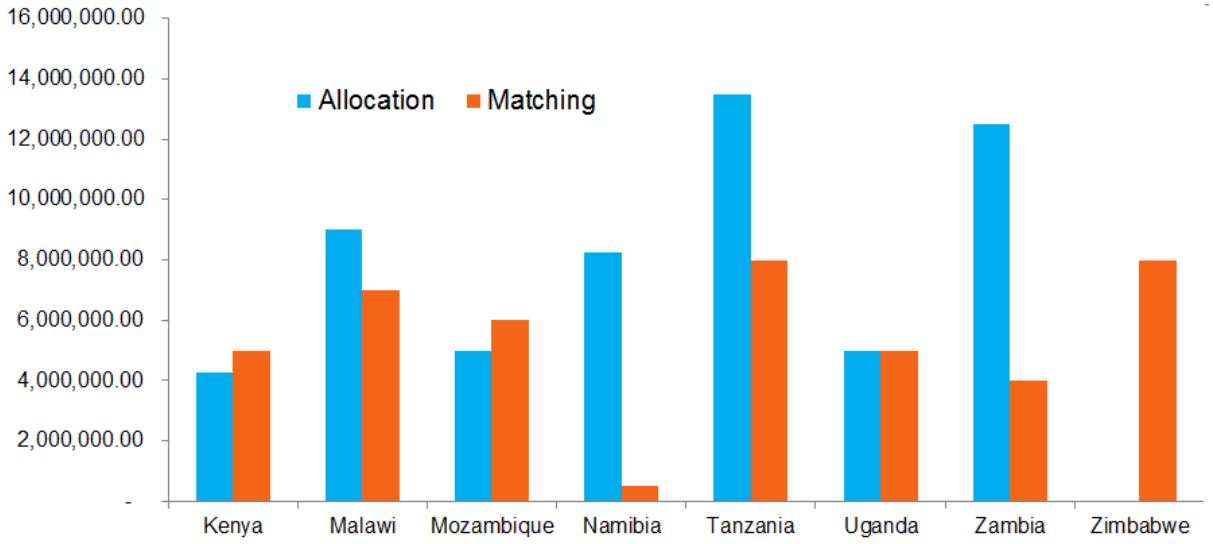
In funding requests submitted to the Global Fund in Window 1 (20 March 2017) and Window 2 (23 May 2017), more than $100 million was proposed for adolescent girls and young women (AGYW). This calculation includes both allocation amounts and matching funds. In addition, more than $50 million was proposed for AGYW in prioritized above allocation requests.

These figures were reported by the Global Fund Secretariat in a recent (4 July 2017) webinar, hosted by Women4GlobalFund. During the webinar, the Fund also shared information from an eight-country analysis on the level of funding and priority areas for AGYW. The analysis disaggregates between AGYW funding in the allocation and in the matching funds (Figure 1).

Thirteen countries were notified in December 2016 that they are eligible for additional funding for HIV programs for AGYW, above their allocation amount. A full list of countries and the matching funds they were allocated is online here. Along with AGYW, matching funds are available for five other strategic priorities.

One of the requirements for accessing the AGYW matching funds is that an equal or greater amount must be ring-fenced for AGYW in the allocation request. An additional requirement is that the funding dedicated to AGYW in the allocation must be greater than funding for AGYW in the current grant.

Figure 1: Proposed investments in AGYW from select window 1 and 2 funding requests



Source: Global Fund Secretariat Presentation Delivered at Women4GlobalFund Webinar, 4 July 2017

In Zambia and Tanzania, nearly $14 million was requested for AGYW-related interventions in the allocation amount. For Zambia, this represents a significant increase, as the country's matching fund request indicates that $3.4 million is dedicated to AGYW in the current grant.

It is important to note that the Global Fund includes investments in voluntary medical male circumcision (VMMC) as an investment in AGYW. This is based on the interventions included in the Global Fund's technical brief on AGYW in high-HIV burden settings. The Fund's decision to count VMMC as funding for AGYW has raised eyebrows among some women advocates. "Whilst it is true that VMMC indirectly protects women from contracting HIV given the reduced HIV prevalence in men, we must ensure that investment in AGYW go beyond biomedical interventions and remain girl-centered," says Sophie Dilmitis, Global Coordinator of Women4GlobalFund. "This way, these matching funds support AGYW in all their diversity to break the cycle of gender inequality – especially in the 13 priority countries,"

As a ratio of allocation versus matching funds, Namibia prioritized AGYW well above the minimum 1:1 match required. The country dedicated more than $8 million of their allocation to AGYW and $1 million in matching funds. Kenya, Mozambique and Uganda all had roughly the same amount of funding in their allocation as in their matching funds request.

At the other end of the spectrum, Zimbabwe placed far more funding for AGYW in its matching funds request than it did in its allocation. Though the figure from the Global Fund indicates that all AGYW funding was in the matching funds, Aidspan has been informed from country partners that $3.1 million was included in the allocation. Regardless, the 1:1 match was not met. According to the country's matching fund request, "the highly commoditized nature of Zimbabwe's funding request prohibits a 1:1 matching ratio for AGYW." This is a provision that is explicitly stated in the matching funds instructions, which indicate that flexibilities may apply in the case of heavily commoditized grants, and where there is limited fiscal to increase funding for the designated strategic priority.

As much as the amounts vary, the activities prioritized for AGYW across different countries are equally diverse (Table 1). Gender-based violence was a popular investment focus, with seven out of eight countries prioritizing this activity (all but Uganda). On the other hand, so far not one country has prioritized post-exposure prophylaxis (PEP) or social protection (access to social grants/poverty reduction). In May 2017, UNAIDS published a new tool on integrating HIV and social protection which may help more countries include this element in their Global Fund requests.

Table 1: AGYW interventions prioritized in select window 1 and window 2 funding requests

		Uganda	Zimbabwe	Malawi	Kenya	Zambia	Tanzania	Mozambiq.	Namibia
Biological	Condoms			■			■	■	
	Antiretroviral therapy/adherence		■	■	■			■	
	Sexual and reproductive health services					■	■		■
	Pre-exposure prophylaxis (PrEP)		■						
	Voluntary medical male circumcision		■	■		■			■
	HIV testing services		■	■		■	■	■	■
	Post-exposure prophylaxis (PEP)								
Behavioral	Psychosocial support		■	■	■		■	■	
	Social assets/life skills		■	■		■		■	
	Comprehensive sexuality education	■		■		■	■	■	
	Behaviour change communication	■	■			■	■	■	■
	Stigma reduction	■				■		■	■
Structural	Gender-based violence		■	■	■	■	■	■	■
	Social protection								
	Livelihoods	■		■				■	
	Cash transfer/incentives				■	■	■		
	Keeping girls in school	■	■		■	■			■
	Laws and policies	■					■		

Source: Global Fund Secretariat Presentation Delivered at Women4GlobalFund Webinar, 4 July 2017

Three of the eight countries prioritize cash transfers for AGYW as part of their grants. Aidspan has previously reported on cash transfer programs in Kenya, South Africa and Swaziland, which the Global Fund currently supports.

All of the activities in Table 1 will help the Global Fund achieve its key performance indicator (KPI) to reduce HIV incidence among AGYW (age 15-24) by 58% (47-64%) over the 2015-2022 period. Towards this KPI, the Global Fund has also urged countries to consider specific sub-population targeting when designing interventions. As an example, Zimbabwe's matching funds application specifically addresses young women who sell sex as a sub-population of AGYW that requires tailored support. $52,512 in matching funds was requested and approved by TRP to provide peer-education services to this group.

Based on lessons from window 1, the TRP recommended that counties use evidence-based approaches for AGYW interventions. Alternatively, the TRP suggested that pilot projects for new AGYW innovations are encouraged, with a plan to scale-up based on findings. In addition, the TRP also urged countries to plan for simple evaluations within the matching funds application.

A recent lessons learned brief published by Women4GlobalFund, highlights some of the successes and challenges around prioritizing AGYW funding. For instance, women in Kenya pushed for more time to review the matching funds request, given their lack of comfort with what was being submitted around AGYW. The matching funds request was held back and reworked by the writing team as a result. Women in Malawi also struggled to ensure that the matching funds focused specifically on AGYW themselves, with lots of other related interests around the table.

Among window 3 applications anticipated for 28 August 2017, Swaziland will be applying TB/HIV funding. The country is eligible for $1.5 million in AGYW matching funds. In a country where AGYW account for about 46% of new HIV infections, the strategic prioritization of these funds is critical. Aidspan plans to continue to track investments in AGYW, including window 3 and 4 applicants.

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8. NEWS: Global Fund's next E.D. should be able to broker deals, pitch policymakers and reach into the private sector: Dybul

"A narrow focus on delivering health services through public institutions won't end [the] three global plagues"

David Garmaise 18 July 2017

The Global Fund's next executive director does not need to be a technically-minded public health expert, he said. "The organization would benefit from someone who understands how to structure deals, how to pitch policymakers, and how to reach into the private sector where the majority of people in countries with big disease burdens — like India and Indonesia — actually access their healthcare," he added.

"He" is Mark Dybul, the man who just completed a four-year term as the Global Fund's Executive Director at the end of May. Dr Dybul gave an interview earlier this year to Michael Igoe of Devex, which bills itself as "the online media platform for the development community." An article based on the interview appeared online on 26 June 2017.

"We're entering a completely different era, and a different approach, and new thinking about how you put health together," Dybul said. A narrow focus on delivering health services through public institutions won't end [the] three global plagues, he added.

"To operate a global fund, it turns out, requires a global person," Igoe wrote. "For four years Dybul has shuttled between the world's richest and poorest capitals, rarely spending more than 24 hours in any one place."

For two decades, Igoe wrote, Dybul has been "at the center of a seismic shift in the way global health programs are designed and paid for." (Before joining the Global Fund in 2013, Dybul served as U.S. Global AIDS Coordinator, leading the establishment of the President's Emergency Plan for AIDS Relief [PEPFAR] which he ran from 2006 to 2009.) "A paternalistic donor-recipient model is giving way — slowly and stubbornly — to a constellation of partnerships with strong health systems, not the delivery of treatments by rich countries to poor ones, as their raison d'être."

Igoe wrote: "After four years as the Global Fund's executive director — during which time he helmed two multi-billion-dollar fundraising efforts and helped restore the embattled Swiss organization's reputation as a global health leader — Dybul stepped down last month at the end of his first term. He is returning to Washington, D.C. and to life as a faculty member of the Georgetown University Medical Center, his alma mater."

"Innovation changes everything, and change doesn't happen when people stick around for too long," Dybul told Igoe.

Recently, Dybul was named faculty director of the new Center for Global Health and Quality (GHQ) at the Medical Center. GHQ "will seek to work with international partners to respond to some the most pressing global health challenges of our time," the Georgetown University Medical Center said in a news release. GHQ will explore new policy and management strategies to respond to global health challenges, the news release said.

"The center will look to include the work of researchers who have a proven track record of leading, reforming and implementing initiatives in complex settings," it added.

Meanwhile, the Global Fund continues its search for a new executive director. Aidspan reported in June that job advertisements have been placed in *The Economist* and that the Fund also planned to place advertisements in French in *Le Monde* and in *Jeune Afrique*, and in Spanish in *La Nación*. The Global Fund Board expects to select the next executive director at its meeting scheduled for 14-15 November.

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9. NEWS: Global Fund releases new guidelines on budgeting for grants

David Garmaise 18 July 2017

The Secretariat has released revised guidelines for budgeting related to Global Fund grants. *Guidelines for Grant Budgeting* is dated June 2017 and contains 79 pages. The guidelines amend and restate the previous *Global Fund Guidelines for Grant Budgeting and Annual Financial Reporting* issued in August 2014.

The revised guidelines provide all stakeholders involved in the implementation or verification of Global Fund grants with guidance and information on the following topics:

- budgeting using the modular approach and costing dimension
- financial principles (assignment of financial commitments and financial obligations) when moving from one allocation period to the next
- treatment of in-country cash balance
- management of foreign exchange and payment currencies, and impact on budgeting
- disclosure of tax in budgeting
- documents recommended to support budget assumptions
- more detailed guidance on budgeting for specific budget cost categories
- treatment of salary top-ups and incentives
- material and non-material budgetary revisions
- financial reporting principles and scope
- eligibility of grant expenditure
- recovery process

The guidelines state that their aim is to ensure implementers understand the Global Fund's financial policies and procedures, and implement them in a consistent manner; and to "strike a better balance" between flexibility on the one hand, and efficiency, transparency and accountability on the other. The latter is a reference to trying to find the right balance between policies and procedures that are stringent enough to guard against misuse of Global Fund resources, but not so onerous that they make it almost impossible to get the work done.

The Global Fund says that the guidelines should be used in conjunction with its Operational Policy Manual. The manual provides an operational framework for managing Global Fund grants, whereas the guidelines provide more in-depth guidance on the core financial requirements for budgeting.

Salary top-ups

The guidelines state that the Global Fund may approve additional payments to increase the public sector salaries of staff involved in implementing Global Fund programs. Top-ups (also called "incentives") can be paid to program management staff, health workers or other staff already employed by the national health sector, with the aim of retaining skilled local staff.

According to the guidelines, there are multiple risks associated with top-ups, including creating distortion within different public health programs, management challenges, risks of nepotism, inflationary pressure, and lack of sustainability of the human resource strategy in the long-term. For these reasons, the Fund says, it is expected that the amounts for top-ups budgeted in Global Fund grants will be based on a realistic transitional plan – to transfer responsibility for paying top-ups from the Global Fund to national governments – backed by a formal commitment from the governments and national authorities, with clear milestones for the transition.

The guidelines state that top-ups will normally be within the limits of 25% of the salary of similar positions in order to provide an additional incentive, but not to distort the salaries within the same national program to levels that cannot be sustained.

All salary top-ups must be approved by the Grant Approvals Committee.

The Global Fund has been struggling to deal with issues related to salary top-ups for a number of years. One of the problems was that each donor had a different policy and approach. The Fund made a concerted effort in the Democratic Republic of Congo (DRC) starting as far back as 2010 to, first, achieve a harmonized approach among donors and, second, to phase out the top-ups altogether. The Fund had some luck with its efforts to harmonize the payment of top-ups, but phasing them out has proved to be more difficult. In many countries, top-ups are the only way to retain skilled staff to run crucial programs. For a discussion of the efforts made in the DRC, see GFO articles here and here. See also the discussion of salary incentives in a GFO article on the recent funding request for Zimbabwe TB/HIV.

Travel-related costs

The section of the guidelines on budgeting for travel-related costs is more than five pages long. This is because the Global Fund has significantly tightened procedures to guard against abuses, including fraud, that were being detected with some regularity by audits conducted by the Office of the Inspector General in the first few years of this decade – particularly with respect to travel for the purposes of attending training courses.

The guidelines state that

> "travel-related costs should be based on existing policies of the principal recipient (or sub-recipient, as applicable) and be harmonized across Global Fund grants managed by the same PRs and SRs and, if possible, with other donors. New policies on travel-related costs that are created especially for the Global Fund grants and that are different from the PR's or country's normal policies are not acceptable. Travel-related cost policies for the Global Fund grants must be fully aligned with government and other donor practices for the administration of such payments."

Transition between allocation utilization periods

The guidelines contain a small section on budgeting during the transition between allocation utilization periods. However, this topic is more fully addressed in a FAQ document recently released by the Global Fund (see separate GFO article).

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