Independent observer of the Global Fund

Global Fund Observer

NEWSLETTER

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CONTENTS OF THIS ISSUE:

4. NEWS: Swaziland submits $94 million funding request to the Global Fund

BY GEMMA OBERTH

On 28 August 2017, Swaziland submitted a TB/HIV funding request for $93.8 million, tailored to material change. The focus on HIV prevention is significantly enhanced compared to Swaziland's last application and current grant spending levels, accounting for more than a fifth of the total budget. The request also lays out transition plans for one of the country's major TB funding partners, *Médecins Sans Frontières*. The outcome of the request is anticipated for mid-October.

5. NEWS: Process to select the Global Fund's next executive director is on track, Nomination Committee says

BY DAVID GARMAISE

The Executive Director Nomination Committee says that the Global Fund Board is on track to select a new executive director at its meeting on 14-15 November. Advertisements published in June and July in four leading newspapers generated 92 applications. Additional candidates have been identified through outreach by Board members and others. The process really starts to pick up steam when the Nomination Committee meets to finalize a long-list of candidates to be interviewed. This meeting is scheduled to happen this week.

6. COMMENTARY: On holding the pen: reflections from a writer of Global Fund funding requests

BY GEMMA OBERTH

This year, I wrote three Global Fund funding requests for African HIV and TB programs. Being that immersed in country-level processes evokes all kinds of thoughts and reflections. In this commentary, I share my views on the different proposal development processes, the value-added of technical assistance, the role of the Global Fund country teams and changes to the application materials. I also suggest that there is a dire need for user-friendly tools to assist countries with optimizing their budget allocations.

7. NEWS: OIG investigation reveals small-scale fraud by a supplier for a Global Fund TB grant to Burkina Faso

BY DAVID GARMAISE

An investigation by the Office of the Inspector General found that a local supplier in Burkina Faso delivered 35 counterfeit motorbikes to the principal recipient of a TB grant. The investigation also revealed that the PR did not take appropriate action in awarding a contract to the supplier and in responding to the fraudulent activities once they became known.

TOP

ARTICLES:

1. NEWS: Global Fund has provided bridge funding of $378 million for 11 shortened grants

In addition, four countries with shortened malaria grants found bridge funding from savings and efficiencies within their own grants

David Garmaise 5 September 2017

According to the Secretariat, the Global Fund has provided funding in the amount of $378.2 million for 11 shortened grants from six countries to bridge them through to 31 December 2017. The funding comes from money made available through portfolio optimization.

An HIV grant to Tanzania received the largest award ($109.1 million). Another HIV grant, this one to Mozambique, received $77.0 million (See the table for a full list of the funding awards.)

Table: Additional funding awarded to countries that had shortened grants

Country	Component	Grant	Additional funding ($US)
Kenya	Malaria	KEN-M-AMREF	$2,750,040
		KEN-M-TNT	$12,179,877
Mozambique	HIV	MOZ-H-MOH	$76,981,737
	Malaria	MOZ-M-MOH	$43,546,381
		MOZ-M-WV	$17,878,982
Sudan	Malaria	SDN-M-UNDP	$31,591,959
Tanzania	HIV	TZA-H-MOF	$109,078,557
Uganda	HIV	UGA-H-MoFPED	$36,623,979
	Malaria	UGA-M-MoFPED	$24,398,252
		UGA-M-TASO	$14,985,052
Zimbabwe	Malaria	ZWE-M-MOHCC	$8,203,330

In addition, the Secretariat said, four countries used savings and efficiencies from within their own grants to bridge activities in their shortened malaria grants until December: DR Congo, Ghana, Nigeria and South Sudan.

Although the Global Fund Board intended that the 2014-2016 allocations would cover implementers through to at least 31 December 2017, it gave the Secretariat the authority to approve grants with earlier end dates. These became known as “shortened grants.” It is believed that the most common reason for countries requesting a shorter grant implementation period is that the shorter period – and a higher rate of spending – was necessary to ensure the provision of essential services at existing levels.

However, having approved the shorter grant implementation periods, the Global Fund decided that it also needed to find the resources to enable these grants to continue functioning until the end of 2017 (given that 1 January 2018 was the earliest date applicants and implementers could expect to access funding from the 2017-2019 allocations).

The funds for portfolio optimization come mainly from savings and efficiencies achieved in the entire Global Fund portfolio of grants. They can also come from additional donations. However, in this particular case, according to the Technical Review Panel (TRP), some of the funding came from reductions in incentive funding awards. On 1 April 2015, we reported the TRP as saying that its incentive funding recommendations for components submitted in Window 4 were reduced because the Secretariat "saw no other option to cover gaps for countries with shortened grant durations." The TRP made this statement in an update on funding requests provided to the Board (see Board Document GF-B33-10).

All of the countries that received awards for shortened grants submitted funding requests for 2017-2019 for the components involved in either Window 1 (20 March 2017) or Window 2 (23 May 2017).

TOP

2. NEWS and ANALYSIS: Failure to absorb Global Fund money – African constituencies sound the alarm

Lapsed funding means a lost opportunity to fight diseases or strengthen health systems

Andrew Green 5 September 2017

Impediments at both the Secretariat and country level are leaving many Global Fund recipients unable to fully absorb their funding, and are raising alarms over the resulting reductions in service coverage and quality. This is the first of a three-part series in which we discuss some of the reasons behind these absorption failures, as well as some of the solutions that are being proposed.

Delegations representing Eastern and Southern Africa, and West and Central Africa, on the Global Fund Board flagged concerns about absorption capacity in a statement released in April 2017 ahead of the Global Fund's Board Meeting in Kigali, Rwanda, last May.

The statement called the failure "a persistent problem that the African countries experience." Beyond the lost opportunities for intervention, the delegations said, absorption issues can also affect plans for procuring drugs and other commodities, and future funding. Syson Namaganda Laing, the focal point for the Eastern and Southern Africa delegation, said officials hoped that by highlighting their concerns about lapsed funding, they could bring more attention to an issue they say urgently needs to be addressed, and they can push for the implementation of possible solutions.

While experts said that concerns about absorption exist in all regions, Bernice Dahn, who is both the Liberian health minister and the alternate Board member for West and Central Africa, said it was particular concern for the two sub-Saharan African constituencies.

“Many African countries have troubling economies where the resources are inadequate to address the many needs of the country,” she said. “The domestic budgets for health is often times very little to address the enormous health needs, so we in Africa seriously need the Global Fund grants as a complement to address a significant portion of the health burden in our respective countries.” That makes any Global Fund money that is lapsed because of poor absorption even more significant.

At its November 2016 Board Meeting in Montreux, Switzerland, the Global Fund estimated that at least $1.1 billion in funds from the 2014-2016 allocation period would not be utilized.

Under current Global Fund regulations, a country is unable to carry over unutilized funds to the next grant implementation period, even though it is the “same” grant.

Much of that leftover money from the 2014-2016 allocation period appears to be in the African countries. While the Global Fund does not report on individual grant absorption, the African Population and Health Research Center (APHRC) released a report at the end of 2016 that found that among 34 countries within the two African constituencies, only about 65% of funds from signed grants over the previous three years had been disbursed.

Furthermore, among participants in three different research studies APHRC conducted in 2015 and 2016 and featured in its report, less than 5% perceived their country’s absorptive capacity to be good, while 48% said it was weak.

This is not a new concern, Dahn said, but one that deserves more attention because it is effectively means that money is being lost in the efforts to fight HIV, malaria and tuberculosis.

“The inability of the African countries to adequately absorb Global Fund resources limits the impact the grants are expected to have on the countries and it slows down the speed at which these diseases could be eradicated from the countries,” she said.

Laing said poor absorption has ramifications with respect to the ability of countries to procure drugs and other items that are paid for with Global Fund money. Countries often tailor their broader procurement timelines to dovetail with Global Fund grants, she said, which means that if funds are delayed or – more critically – if money lapses because it is not spent within the grant period, it can ultimately lead to stock outs of critical items. This is especially dangerous if there is no money in the domestic budget to make up for the lost Global Fund money, she said.

Poor absorption also has implications for future funding, both at the country level and for the Global Fund more broadly, said Allan Maleche, who chairs the Implementers Group. Though not officially part of the governance structure of the Global Fund, the Implementers Group attempts to strengthen the participation of grant implementers in the activities of the Global Fund Board.

Maleche said that if a country is unable to spend money it was allocated, this can affect the amount it is awarded in future funding cycles. This also has implications when the Global Fund embarks on replenishment, he said, with donors questioning why funding has gone unspent.

"It's a problem that has to be addressed," Maleche said. "It sends a bad signal to have money [lapse while] people are still dying of these diseases."

The second and third articles in this series will consider some of the persistent obstacles to full absorption, as well as solutions that have been attempted or are being discussed to overcome these obstacles.

A copy of the April 2017 statement from the two African delegations on the Global Fund Board concerning absorption problems is on file with the author.

TOP

3. NEWS: OIG audit of two Global Fund grants to Guinea finds significant weaknesses in supply chain management

Improvements also required in grant implementation

Nevertheless, Guinea has made significant progress in the fight against the diseases

David Garmaise 5 September 2017

Although Guinea has made significant progress in the fight against the three diseases, despite a challenging operating environment, there are significant weaknesses in supply chain management and there are areas related to managing grant implementation that require improvement. These were the findings of an audit of Global Fund grants to Guinea conducted by the Office of the Inspector General (OIG). A report on the audit was released on 25 August.

The Global Fund has signed grants for over $228 million and has disbursed $176 million in the fight against HIV, TB and malaria in Guinea since 2003. It currently has four active grants in the country.

The audit covered two grants: an HIV grant (GIN-H-CNLS) managed by the *Comité national de lutte contre le Sida (CNLS),* and a malaria grant (GIN-M-CRS), for which the principal recipient (PR) is Catholic Relief Services (CRS) Guinea. The audit covered the period January 2015 through December 2016.

The audit had two objectives: (1) to assess the effectiveness of the supply chain; and (2) to evaluate the adequacy of risk mitigation measures in the management of grants.

The OIG found that the supply chain is generally able to deliver medicines to the service delivery points. However, it said, major inefficiencies and weaknesses exist in the supply chain processes that compromise the ability to perform effective supply planning and management of the inventory of drugs. The OIG said that this is due to inadequate in-country supply chain oversight for the HIV grant and the Secretariat's weak assurance mechanism. The OIG rated the effectiveness of supply chain management as **"significant improvement needed."**

The OIG found that the risk mitigation measures instituted by the Secretariat have addressed many of the related risks and achieved good programmatic results, especially under the malaria grant. However, it said, several challenges limit the effectiveness of grant implementation activities, factors that include the country context, the limited capacity of CNLS, and gaps in supervision and management of the sub-recipients (SRs) by the PRs. The OIG rated the risk mitigation measures related to grant implementation as **"partially effective**."

The OIG's uses a four-tier rating scheme, as follows: "effective"; "partially effective"; "needs significant improvement"; and "ineffective."

Achievements

The Global Fund's investment in Guinea has contributed to the reduction in malaria mortality and an increase in the number of HIV patients on antiretroviral treatment, the OIG reported. Malaria prevalence decreased by almost 30% between 2003 and 2014. About eight million bed nets have been distributed through a universal mass campaign with the support of Global Fund and other partners in 2016. Similarly, the OIG said, antiretroviral treatment coverage has increased from 4% to 46% of the number of people living with HIV between 2003 and 2015. The Global Fund is the main donor of Guinea's HIV program.

Supply chain

Over 60% of the budget for the HIV grant is for the procurement of medicines and other health products.

The OIG reported that the Global Fund and partners have supported the country to address some of the systemic challenges which affect efficient storage and distribution of medicines in a challenging environment like Guinea. Resources have been earmarked to expand storage capacities in five of the six regional warehouses. A distribution plan has been developed to support last-mile delivery of HIV medicines by the Central Medical Stores (CMS) starting in March 2017. A similar plan has existed for the malaria grant since 2016.

Despite these achievements, the audit identified significant supply chain inefficiencies. For example:

> **Limited reliable data affecting quantification of medicines**. Guinea uses only morbidity data as the basis for determining how many ARVs are needed, the OIG revealed. Estimates of the need vary significantly (from 28,000 to 44,000 patients). In addition, Guinea has adopted a new anti-malaria treatment regimen but is still basing its forecasts on the old regimen, which had different treatment ranges. This – and the expiry of some medicines supplied by partners – have impacted the availability of anti-malaria medicines for different age groups. For instance, the country currently has an excess of nine and 12 months of medicines for teenagers and adults, respectively, but the stock levels of medicines for babies and infants are below the recommended minimum level of two months' stock.
>
> **Inadequate inventory management systems.** The CMS has been supported by the Global Fund and partners to improve its inventory management systems, the OIG said, but there are still problems – such as data entered on the system not being backed up by the CMS. This has resulted in the loss of important data.
>
> **Potential loss of quality of medicines due to weak storage practices.** Two out of three regional hospitals visited by the audit team had malaria medicines above their storage capacities. Environmental conditions (temperature and humidity) in storage rooms are not monitored in all the facilities and warehouses visited, the OIG found. The gaps in storage practices could compromise the quality of health products.

The audit found that the challenges in quantification and supply planning have contributed to expiries and stock-outs of medicines across the supply chain, especially under the HIV program.

For example, based on an analysis of antiretroviral medicines (ARVs) currently available compared to program targets, the OIG estimated that there are $3 million worth of ARVs financed by the Global Fund in the CMS that were likely to have expired in 2016. This amount represents about 38% of the ARVs procured under the HIV grant as of April 2017. Subsequent to the OIG audit, there was an agreement to redirect some of the soon-to-expire medicines to other countries. However, before this could happen, the ARVs were destroyed in a fire.

In addition, the OIG said, stock outs of HIV test kits were noted at health facilities.

The Secretariat and the PR were not able to identify these inefficiencies, the OIG stated, because the assurance arrangements for the supply chain – both in-country and at the Secretariat – are not adequate. While the procurement-related risks have been mitigated through the use of the Pooled Procurement Mechanism (PPM), the OIG stated, the supply chain risks have not been adequately identified or mitigated. The country team and the local fund agent's (LFA's) review of the PR's quantification of antiretroviral medicines did not identify the overstated needs (mentioned above), the OIG said, and, therefore, did not reveal the substantial exposure to drug expiries. The assurance provider's review of stock levels as part of the progress update and disbursement request (PUDR) in April 2016 did not identify the excess stock levels in the country.

In addition, the OIG said, there is limited coordination among the various players with respect to quantifying ARV needs.

In response to the OIG's findings concerning the supply chain, the Secretariat will implement the following agreed management actions (AMAs):

> **AMA #1**: The Secretariat will strengthen assurance mechanisms over the HIV supply chain by:
>
> a) establishing an accountability matrix detailing roles and responsibilities of the country, the Secretariat and the LFA; and
>
> b) evaluating the national procurement and supply chain management committee for supply planning and updating its terms of reference.
>
> [Due 30 April 2018]
>
> **AMA #2:** The Secretariat, through the LFA, will perform a reconciliation of malaria medicines and commodities based on terms on reference to be agreed with the OIG. [Due 31 January 2018]

Grant implementation

CRS, the PR for the malaria grant, has coordinated its activities well with the (U.S.) President's Malaria Initiative (PMI) which has boosted implementation of the malaria grant, as well as its results, the OIG found. The HIV grant has not fared as well. The limited availability of in-country partners to support the program and the limited capacity of the PR, the CNLS, and of the national HIV program have negatively affected implementation of the grant.

For example, the OIG said, there has been slow implementation of PMTCT interventions. For instance:

- 42% of the PMTCT facilities failed to provide the required service in 2016. Five of the facilities are located in Conakry (the capital) and should have been identified by the PR for immediate action, the OIG said;
- 44% of the children under 12 months exposed to HIV were not screened as required by national guidelines and those of the World Health Organization; and
- 53% of the regions did not collect and transport blood samples to the national reference laboratory for screening.

As a result, the OIG reported, only half of the annual PMTCT target related to children has been achieved.

The audit identified that supervisory activities are not regularly performed. Global Fund grants have provided resources to enable the implementers to conduct regular supervision. However, the OIG said, the absence of a national integrated supervision framework and plan has resulted in a silo approach to supervisions. For example, the various units under the national programs conduct separate supervision activities in the same facilities at different times, resulting in potential duplications.

In the OIG's view, implementation of supervision activities has been negatively affected by the limited availability of health workers at the regional and district level and limited planning and coordination between the different disease programs.

Management of SRs

The OIG said that major improvements are required in the PRs' management of their SRs. The OIG noted that the PRs did not regularly perform quarterly programmatic and financial review of SRs. The OIG provided examples of transactions that were problematic. In one instance, the CNLS made disbursements of $981,026 in August 2016 to an SR when previous advances of $324,087 disbursed in March 2016 had still not been accounted for. In another case, expenditures incurred by three SRs amounting to $1,939,692 were not included in the progress report submitted by CRS to the Global Fund in 2016.

The OIG attributed the problems related to the HIV grant to capacity constraints on the part of the CNLS and the limited availability of in-country partners to support the HIV program. The OIG indicated that the Secretariat had recognized the capacity problems and had engaged consultants and international entities to support CNLS. For example, UNICEF was mandated to implement the PMTCT supervision component of the grant. The OIG said that UNICEF was brought in because of the weak capacity of CNLS and the national HIV program. However, the OIG said, UNICEF subsequently engaged the national HIV program to conduct these supervision activities without providing commensurate capacity building, despite the national program's weak capacity.

The OIG stated that supervisory arrangements have remained ineffective despite the contribution of consultants and international entities.

In response to the OIG's findings concerning the management of the grants, the Secretariat will implement the following AMAs:

> **AMA #3:** The Secretariat will review the implementation arrangements for the HIV grant to address management and programmatic challenges identified by the audit. [Due 30 January 2018]
>
> **AMA #4:** CRS will provide an SR management and oversight plan based on the risks identified for each SR. [Due 31 December 2017]

Financial risk mitigation measures

The OIG reported that the Global Fund has instituted mitigation measures in response to the high fiduciary risks on the portfolio. The measures include use of fiscal agents (FAs) at the

CNLS and a zero-cash policy at the SR level. Under the zero-cash policy, the PRs make payments to suppliers on behalf of the SR.

The audit found that although these measures have reduced the extent of ineligible and unsupported expenditures, there are areas requiring improvement. For example:

- The zero-cash policy was introduced to address fiduciary risks at the SR level. This has reduced the extent of cash managed directly by the SRs. However, the related gaps in procurement processes of the SRs are not identified and addressed by the PRs.
- The FA routinely reviews transactions and justifications by the PR before payments are made. However, the terms of reference of the LFAs have not been tailored to reflect these additional mitigation measures and assurances introduced by the Secretariat.

In response to the OIG's findings concerning the management of the grants, the Secretariat will implement the following AMA:

> **AMA #5:** The Secretariat will maximize the function of assurance providers (LFAs, FAs and external auditors) by: (a) specifying roles and responsibilities of LFA and FA with respect to financial verifications; (b) improving the communication and collaboration between assurance providers; (c) defining verification criteria and documents required from the FA; and (d) defining the role of the FA in the procurement process. [Due 31 March 2018]

Issues previously identified

This is the first OIG audit of the Guinea portfolio. However, Guinea was included in the sample of countries in the OIG's audit of grant management in high risk environments, published in January 2017 (see GFO article). The audit found that there was an absence of an overarching framework to support grant management in high risk environments; inadequate balance between country ownership and short-term measures to support grant implementation; and gaps in monitoring of the short-term measures instituted in such environments. The related AMAs are currently being implemented.

One of the grants not included in the Guinea audit was an HIV grant managed by Population Services International (PSI). In its report, the OIG noted that PSI will not continue to implement grants in Guinea when its current grant expires in December 2017.

TOP

4. NEWS: Swaziland submits $94 million funding request to the Global Fund

More than a fifth of the total budget is dedicated to HIV prevention

Gemma Oberth 30 August 2017

On 28 August 2017 (Window 3), Swaziland submitted a TB/HIV funding request to the Global Fund. The total request was for $93.8 million. When broken down, $47.2 million of this amount was within the country's allocation, $1.5 million was a matching funds request for catalytic funding to prevent HIV among adolescent girls and young women (AGYW), and $45.1 million was a prioritized above allocation request (PAAR).

"Swaziland is grateful to the Global Fund for this significant investment in our next implementation phase, October 2018 – September 2021," said Dr Simon Zwane, Permanent Secretary to the Ministry of Health and Chair of Swaziland's country coordinating mechanism (CCM). "I have no doubt that the funding will help us achieve our vision of an AIDS-free Swaziland by 2022," he said.

Swaziland has the world's highest adult HIV prevalence, at 27.3% in 2016. The country has set the ambitious target of ending AIDS by the year 2022 – eight years earlier than the global target.

The funding request is tailored to material change, which is intended to be less comprehensive than full review applications. According to the funding request instructions, tailored review applicants should identify material changes that might have occurred in the country, leading to the need to revise and/or re-prioritize certain program areas funded by the Global Fund.

In its funding request, Swaziland identifies six "triggers" for material change and proposes a "strategic modification" for each trigger (see table).

No changes are proposed to the implementation arrangements. Swaziland wishes to retain the National Emergency Response Council on HIV and AIDS as the government principal recipient (PR) and the Coordinating Assembly of Non-Governmental Organizations as the civil society PR.

Elaborating on the triggers for material change and strategic modifications shown in the table, the sections below provide more information on the reasons for the changes and how the funding request is tailored as a result.

Strategic modification #1: Innovation for "last mile" impact

New data from the second Swaziland HIV Incidence Measurement Survey (July 2017) reveals remarkable progress. Since the first survey in 2011, new infections fell by nearly half, and viral load suppression among people living with HIV more than doubled (see GFO article). Similarly, new (unpublished) 2016 TB data from the World Health Organization

Table: Triggers for material change and corresponding strategic modifications in Swaziland's funding request

Trigger for material change	Strategic modification to Swaziland's Global Fund program
Relevant changes in the country's epidemiological context	**Innovation for "last mile" impact.** New data shows that Swaziland has made remarkable progress against HIV and TB, but that creative solutions are needed to reach those who remain left behind.
National policies and strategies revisions and updates	**Exploit new policy opportunities for increased impact.** Several new policies and guidelines have recently been launched in Swaziland, which warrant modification to the Global Fund program to align with the new approaches.
Changes in resilient and sustainable systems for health (RSSH) investments needed in order to maximize reproductive maternal, neonatal and child health impact (RMNCH) or other areas	**Enhance integration for greater impact against the diseases**. Recent health systems assessments highlight missed opportunities for integrated service delivery. The funding request proposes revising certain program areas as a result.
A need for intensifying efforts to address human rights and gender-related barriers to services and to ensure appropriate focus on interventions that respond to key and vulnerable populations	**Take a more location- and population-specific prevention approach.** The funding request makes the Global Fund program more focused by homing in on populations left behind as well as "hot spots" and underserved areas.
Changes in domestic or international financing (e.g. due to withdrawal of a major donor or significant increase in domestic allocation/funding), resulting in material impact on funding availability for programmatic interventions and sustainability	**Implement a phased transition to ensure that *Médecins Sans Frontières (MSF)* TB activities can be gradually absorbed into government budgets.** In June 2018, MSF is closing down its programs in Swaziland. The Global Fund funding request is geared to enable a smooth transition.
The country's 2017-2019 Global Fund allocation for the disease component is significantly lower compared to the current grants' spending levels	**Harness technical, allocative and implementation efficiencies.** The funding request is modified for increased emphasis on the high-impact activities in the country's investment case as a means of "doing more with less."

indicate that Swaziland continues to close the gap in missing TB cases. In 2016, just 16% of TB cases went undetected, compared to 56% in 2013.

These changes in the country's epidemiological context (the first trigger for material change) mean that it will get harder to reach those not yet tested for HIV, or screened for TB, and to put them on treatment. Many of these unreached people may be hidden or criminalized populations, or those that face extra barriers to accessing services.

To reach these populations, Swaziland proposes several innovative activities for "last mile" impact. With its Global Fund investment, the country will roll out HIV self-testing among HIV and TB key populations, including sex workers, men who have sex with men, people who inject drugs, factory workers, and TB contacts, among others. For TB screening, a cadre of active case finders working in the community will be guided by the use of geographic information system (GIS) mappings of high risk groups, including mine workers and ex-mine workers (see figure).

Strategic modification #2: Exploit new policy opportunities for increased impact

Swaziland's funding request proposes modifying the current Global Fund program in light of several important new policies and strategies. In October 2016, the country launched test-and-start, offering immediate antiretroviral therapy (ART) to all people living with HIV. From April 2017, the country moved to routine viral load testing, providing at least one test per year to all people living with HIV. There is also a new (draft) defined core package for HIV prevention, tailored by age, sex and population. As of June 2016, community ART has been national policy, enabling people living with HIV to travel to facilities less frequently to collect medication. In January 2017, the country launched new guidelines for the management of drug-resistant TB (DR-TB), including the new short-course treatment regimen and the use of new TB drugs.

The funding request harnesses opportunities within all these new policies (and several others). In support of the new test-and start policy, the government of Swaziland has committed to procuring all first-line antiretroviral drugs (ARVs) for the country, meaning that the Global Fund grant will be modified to procure only second- and third-line ARVs. In addition, more than 10% of the within allocation budget goes towards ensuring viral load testing scale-up, aiming for routine offering among all people living with HIV. The newly defined core packages for HIV prevention are used as the basis for all services to be delivered to AGYW, men who have sex with men, and sex workers. Investment in nutrition and transport support for DR-TB patients will nearly double compared to the current grant, scaling up in line with the new guidelines.

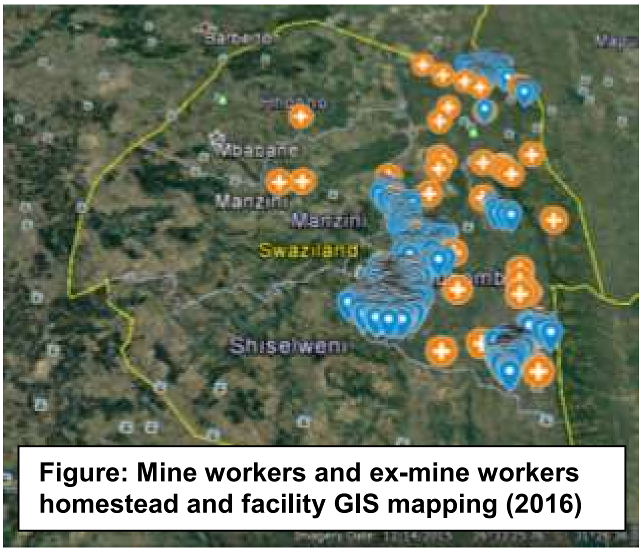

Figure: Mine workers and ex-mine workers homestead and facility GIS mapping (2016)

Strategic modification #3: Enhance integration for greater impact against the diseases

The funding request points out that there are significant missed opportunities because not all health facilities offer integrated HIV, TB and reproductive health services. Swaziland has a 70% TB/HIV co-infection rate, yet only 118 out of 170 ART sites also offer TB treatment. In addition, while 41.1% of pregnant women are living with HIV, there are 13 antenatal care sites which do not offer ART. To improve integrated service delivery, the funding request prioritizes rolling out the country's new essential healthcare package, training community health workers, and introducing integrated management of childhood illnesses. The training of community health workers is to ensure that integrated service delivery can happen at the community level, as more facilities transition to offer a full package of services. In the PAAR, funding is requested for necessary refurbishments so that more facilities can become accredited TB basic management units.

Strategic modification #4: Take a more location- and population-specific prevention approach

The focus on HIV prevention is significantly enhanced in this request, accounting for more than a fifth (21.1%) of the total budget. This is more than seven times greater than what was in the country's last application, which, at just 3%, was one of the smallest HIV prevention requests of any African country (see GFO article). The vast majority of this prevention funding is focused on AGYW. Young women age 20-24 have the highest rates of new infections in Swaziland.

The funding requested for young women is highly targeted, mostly focused on just 13 high-density, low-income areas with high rates of teenage pregnancy. The proposed program includes community health fairs, provision of sanitary pads and educational subsidies to keep girls in school; and peer-clubs for out of school girls. The matching funds application requests money for the piloting of a voucher system to link girls to pre-paid health services at their preferred outlets.

Also included in this strategic modification are peer outreach initiatives for newly prioritized key populations.

In addition, the funding request allocates money for people who use drugs – a first for Swaziland's Global Fund program.

Strategic modification #5: Implement a phased transition of MSF TB programs

MSF is a major funding partner for Swaziland's TB response, contributing over $4 million a year – about a third of the country's total TB budget. The organization has made an executive decision to hand over and close all MSF-supported activities by 1 July 2018.

The funding request proposes that some of the money from the Global Fund should be used to enable a responsibly managed transition, ensuring that there are no major program disruptions or reversed impact against the disease. In a letter from MSF that was submitted as an attachment to the funding request, the organization states that "to facilitate a smooth transition of MSF activities to the Ministry of Health, the National Tuberculosis Control Programme and partners, a stepwise approach is used."

While the staged handover has already begun (as of April this year), the funding request proposes that the country's next Global Fund TB grant be structured in support of this transition. It includes Year 1 investments in certain diagnostic and laboratory equipment and Years 1 and 2 investments in human resources. By Year 3 of the grant, the government will take over the areas which MSF was previously funding.

Strategic modification #6: Harness technical, allocative and implementation efficiencies

The last strategic modification – to harness efficiencies – is driven by a significant reduction in Swaziland's Global Fund allocation. It has been reduced from $80.4 million in the 2014-2016 funding cycle to $51.3 million in the 2017-2019 funding cycle. On a per year basis, assuming that the 2014-2016 allocation exceptionally covered a period of four years, the 2017-2019 allocation represented a reduction of $3 million each year. Regardless of its size, any reduction has implications for a program looking to scale-up its high-impact activities – as Swaziland is.

To try and “do more with less”, the funding request proposes aligning the Global Fund program to the country’s investment case. The investment case suggests that strategic investment in the short term can lead to cost savings later on. In fact, investing in the high-impact investment case interventions has the potential (a) to bring down the cost per HIV infection averted from $1,135 in 2014 to $250 by 2030; and (b) generate a 70% financial savings for the TB program. In addition, the work being done by the Ministry of Health in partnership with Oxford Policy Management on the potential for implementing universal health coverage shows that if Swaziland continues on its current efficiency improvement trend, but with greater focus, this would generate more than $48 million a year in savings. The funding request aims to harness these efficiency opportunities.

Domestic financing and sustainability

As noted in Strategic Modification #2 above, the government of Swaziland is dedicated to financing all first line ARVs for the next three years to cover the country’s full need. This is a landmark commitment, submitted in writing from the Ministry of Finance as an attachment to the funding request. Altogether, government spending will make up just less than half of total HIV and TB resources in the country over the coming years. However, Swaziland still anticipates that the need will outpace available resources, estimating a $25 million gap in the HIV response and a $10 million gap in the TB response by the year 2020. The funding request states that identifying efficiencies in spending – Strategic Modification #6 – is the country’s best option for closing this gap.

Funding request development process

“The process to develop this funding request was one of the most consultative we have ever embarked on,” said Vulindlela Msibi, the Executive Secretary for Swaziland’s CCM. Msibi told Aidspan that the country held dedicated sessions with HIV and TB key populations, including sex workers, men who have sex with men, people living with HIV, ex-mineworkers, people who use drugs, TB survivors, ex-prisoners, among others.

“The tremendous support from Government and our partners enabled the CCM Funding Request Development Team to conduct extensive consultations with all relevant stakeholders, including adolescent girls and young women,” said Msibi. “We even held several focus groups down at community level.”

“The writing team was not only professional in its approach, but also dedicated and committed to ensuring that the inputs into the draft extended well beyond consultation fora,” said Zwanini Shabalala, the chair of the writing team. “Along with receiving – and systematically responding to – over thirty sets of comments, the writing team also traveled to Uganda in July for an in-depth technical peer review process.” Swaziland received feedback from Angola and Pakistan at the peer review.

The Technical Review Panel (TRP) is expected to meet from 29 September – 6 October 2017 to review funding requests submitted in Window 3. The TRP's response to Swaziland's funding request is anticipated in mid-October.

Gemma Oberth was the lead consultant for Swaziland's TB/HIV funding request. Her work on the funding request was in her capacity as an independent consultant.

TOP

5. NEWS: Process to select the Global Fund's next executive director is on track, Nomination Committee says

Newspaper advertisements yielded 92 applications

David Garmaise 5 September 2017

The Global Fund Board is on track to select a new executive director at its meeting on 14-15 November 2017. According to an update provide by the leaders of the Board's nomination committee, 92 applications were received as a result of advertisements published in English, French and Spanish in *The Economist*, *Jeune Afrique*, *Le Monde* and *La Nacion* in June and July.

Ambassador Michèle Boccoz and Professor Vinand Nantulya, respectively Chair and Vice-Chair of the Executive Director Nomination Committee, said that additional candidates are being identified through outreach that has been performed through Board members and others with networks in the global health sector.

The outreach will continue until the Nomination Committee meets to finalize a long-list of candidates to be interviewed. The meeting is scheduled for the first week of September. This is when the process really starts to intensify. Candidates will undergo rigorous due diligence and background checks, Boccoz and Nantulya said. The Nomination Committee will conduct two rounds of in-person interviews, after which the final candidates will be presented to the Board at a retreat in the third week of October, together with a final report from the Committee. The names of the final candidates will then be published.

According to the update, a three-week "constituency engagement period" will take place after the Board retreat and before the Board meeting in November. "During that time, the final candidates will hold calls with the Board constituencies," Boccoz and Nantulya said, "enabling the candidates and the constituencies to speak openly, answer questions and address issues of mutual concern." Staff Council will also be invited to participate in one call per candidate.

Throughout the constituency engagement period, interested parties will be able to submit input and comments through a dedicated email address: edconsultation@russellreynolds.com.

This is the Board's second attempt to fill the executive director position. Earlier this year, it abandoned its first effort, citing problems with the process (see GFO article). That recruitment effort became a bit of a circus when the names of the short-listed candidates were leaked to the media (see GFO article on "What went wrong?").

Marijke Wijnroks has served as the Global Fund's interim executive director since Mark Dybul stepped down from the post at the conclusion of his four-year term on at the end of May.

TOP

6. COMMENTARY: On holding the pen – reflections from a writer of Global Fund funding requests

No two country processes are the same

Gemma Oberth 5 September 2017

This year, I wrote three Global Fund funding requests for African HIV and TB programs. In Window 1 (20 March 2017), I wrote for Zimbabwe; in Window 2 (23 May 2017), I wrote for Zambia; and in Window 3 (28 August 2017), I wrote for Swaziland.

Both Zimbabwe's and Zambia's funding requests were invited to proceed directly to grant-making. Swaziland anticipates learning the outcome of its request in mid-October.

Aidspan has reported on these three requests as they were submitted (see GFO articles here, here, and here).

Taken together, these three TB/HIV proposals were worth more than $1 billion. These are not the first Global Fund funding requests I've written (in fact, they were number 6, 7 and 8), but it was the first time I wrote three, back-to-back, within half a year.

Being that immersed in such different country-level processes evokes all kinds of thoughts on what worked, what didn't, and what we might have missed altogether. Some of the key recipes for success were for countries to start the process early, request and secure the necessary technical assistance (TA), and involve affected communities in a meaningful way.

The length of time spent developing these requests (on my part) were quite different, depending on the country's schedule. For Zambia, I spent about three weeks writing their request, compared to nearly nine weeks for Swaziland. Zimbabwe took about five. I think that starting early is a good thing, allowing country stakeholders to have time to review and comment on drafts. However, if the process is too drawn out, it can distract key program personnel from their vital implementation work of current grants (and other duties) which, ideally, should never take a back seat to proposal development. In my view, a process of about five to six weeks of intensive work is optimal.

Equally distinct were the sizes of the writing teams I worked with this year. In Zimbabwe, about 130 people showed up every day to feed into the draft. In Swaziland, I was working with about half that number (~60). Zambia had the most manageable team size, with about 30 people. In other countries, I've worked with writing teams as small as eight. The teams that work the best are leaner, but it's important that they have a wider reference group to gather input and clarify questions.

To manage large(er) groups, I have found that having a team of writing consultants is very helpful. In the best scenario this year, I had different consultants working on HIV, TB, gender, key populations, young people, health systems and civil society – all feeding consolidated information to me from their respective sub-teams.

However, more TA is not always better. I've seen TA where country partners lost confidence in the provider, as well as where TA providers clashed and did not work well together. In many cases, TA was offered through partners (most often the U.N. family) rather than being specifically requested by the country. This sometimes led to confusion about the precise terms of reference for the consultants. I think countries should feel it's acceptable to decline TA if there is not a specific need identified. In addition, I've often found that when TA is offered rather than requested, it's more likely to be a donor's agenda, disguised as help.

Engagement of affected communities – a key priority for the Global Fund – was also starkly varied. Zimbabwe stands out as a country that took this engagement very seriously. When it came time to develop the budgets for sex workers, men who have sex with men and transgender communities, the writing team insisted that we needed to wait for the relevant civil society and community organizations to arrive and lead the discussion. Zimbabwe was the only country where I have seen this happen at that level. Lots of countries hold consultations with key populations. Few insist that they lead the development of budgets.

Even with proper engagement from a wide range of stakeholders, deciding how much money should go towards various interventions is a hugely challenging task. Since countries cannot go beyond the ceiling of their allocation, and the need is almost always greater than the funding available, tough decisions have to be made. There is no set methodology for making these decisions. In Zambia, the writing team submitted all the activities on their "wish list," the consultants costed everything, and then began a prioritization process to see what could fit within the allocation and what would be placed in the prioritized above allocation request (PAAR). In Zimbabwe and Swaziland, the team leaders and I developed indicative budgets (rough estimates) per module to guide the writing team's prioritization. This is hardly an exact science. In Zimbabwe, the indicative budget turned out to be quite off the mark, once the detailed costing was done. In Swaziland, it was a more accurate approximation.

I would love to turn this guess work into more of a science. A step-by-step process for how to optimally split up a country's allocation would be a most useful tool. This, of course, should take into account the country's existing programmatic and financial gaps. But there is no real hierarchy for which gaps to fill first. For most, ensuring there is no treatment gap is issue number one. But this is not a view shared by all. In Zimbabwe, a group of donors submitted a letter to the Chair of the country coordinating mechanism (copying several high-ranking staffers at the Global Fund) complaining about "changes to the budget allocations resulting in a greatly increased focus on treatment at the expense of health systems strengthening" (see GFO article).

Compared to past years, the Global Fund Secretariat certainly appears to be much more invested in helping countries write successful proposals. But different fund portfolio managers certainly have different styles. Some stayed out of the process completely, some requested several drafts to review, and some sent daily emails with suggestions for the team's consideration. Among the three countries I supported this year, one country team visited twice during funding request development, another visited once, and one not at all. It's a delicate balance for country teams to offer guidance without being prescriptive. For the most part, I think country teams could engage more thoroughly with drafts of funding requests, especially to reduce the likelihood of them being sent back for iteration. So far this year, about one in ten applications is "unsuccessful," requiring the country to rework and resubmit.

The funding request templates and instructions are also a lot more user-friendly than they were in the last funding cycle. The death of the modular template has made a lot of people very happy. However, the introduction of the list of health products (LOHP) offsets a lot of this joy. The LOHP is a detailed "order form" style template where countries must list – exactly – which medicines, consumables and equipment (brand name included!), in which quantities, and at what price, they intend to procure with their grant. To my mind, this is a step too far for the funding request stage, which should remain more of a high-level summary.

After this year's funding request marathon, I will be glad for a slight change of scenery. After this article, I am taking a break from writing for GFO since a number of my upcoming projects will present a conflict of interest. Let's just say I will no longer be an "independent observer." However, I hope to contribute commentaries here and there. Putting this pen down for now.

TOP

7. NEWS: OIG investigation reveals small-scale fraud by a supplier for a Global Fund TB grant to Burkina Faso

Investigation also finds negligence on the part of the PR

David Garmaise 5 September 2017

An investigation by the Office of the Inspector General (OIG) has found evidence of small-scale fraud on the part of a local supplier. It also found that the principal recipient (PR) of a

TB grant did not take appropriate action in awarding a contract to the supplier and in responding to the fraudulent activities once they became known.

A report of the investigation was released on 1 September 2017. The investigation was carried out earlier this year.

According to the OIG, in June 2014 the supplier, Sogedim-BTP Sarl, delivered 35 counterfeit, low quality motorbikes valued at € 73,661, to the PR, the *Secrétariat Permanent du Conseil National de Lutte Contre le Sida et les IST (SP-CNLS*). The motorbikes were needed to provide community services to people affected by TB.

The motorbikes were never used. After they were delivered in June 2014, they were put in storage because they had the wrong license plates. While the motorbikes were in storage, a sub-recipient raised concerns about the deteriorating quality of the bikes. The PR arranged for an independent evaluation of the motorbikes. The evaluation confirmed that the bikes were counterfeit. According to the OIG, in November 2014 the PR requested that Sogedim provide a certificate of authenticity; Sogedim did not comply. In February 2015, the PR asked Sogedim to replace the motorbikes; again, Sogedim refused.

The country team at the Secretariat was not alerted to the problem by the PR until July 2015, one year after the counterfeit motorbikes were delivered. The Secretariat did not report it to the OIG until December 2016, 18 months later. The OIG said that a lack of understanding of when to report such issues contributed to the delay, despite the fact that the Global Fund has clear policies in this regard.

The OIG said that Sogedim did not cooperate with reasonable requests for information from the Global Fund during the investigation.

With respect to the PR, the investigation found that:

- the PR neglected to incorporate the terms and conditions of the Global Fund's Code of Conduct for Suppliers in the contract with Sogedim despite the fact that it was required to do so under the grant agreement;
- the PR did not provide a clear description of the motorbikes in the purchase contract;
- the PR did not include a clause in the contract requiring Sogedim to provide a certificate of authenticity for the motorbikes;
- the PR did not include provisions in the contract that would have allowed the PR to hold the supplier accountable for the final product; and
- once the fraud was revealed, the PR was unable to demonstrate to the OIG that it took prompt and appropriate remedial actions.

The OIG recommended that the full amount of the loss (€ 73,661) be recovered. In a message attached to the investigation report, Marijke Wijnroks, the Global Fund's Interim Executive Director, said that the Secretariat "will seek recovery of funds spent on the counterfeit vehicles, and take appropriate action against the supplier."

The TB grant in question, BUR-810-G11-T, ended in May 2015 and is currently in financial closure. The PR, SP-CNLS, is not managing Burkina Faso's current TB and HIV/TB grants.

The OIG said that the Secretariat has considerably improved risk mitigation measures for the Burkina Faso portfolio since the procurement of the motorbikes, in response to an earlier investigation by the OIG, published on 30 October 2015 (see GFO article). The earlier investigation revealed large-scale procurement of counterfeit long-lasting insecticide-treated bed nets by a government PR in 2010. The enhanced risk mitigation measures include the following:

- procurements of all health products for Burkina Faso are carried out through the Global Fund's Pooled Procurement Mechanism (PPM);
- local procurement of all major non-health products is channeled through independent third parties like UNICEF and UNOPS; and
- a fiscal agent is now verifying and providing assurance on program implementation more proactively than was the case previously.

The earlier investigation revealed non-compliant expenditures of € 9.1 million. The OIG said that the government has already paid back € 1.57 million and will pay the remaining amount in annual instalments through to September 2020.

TOP

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TOP