Independent observer of the Global Fund

Global Fund Observer

NEWSLETTER

Issue 321: 4 October 2017

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BY ANDREW GREEN

In the third of a three-part series, we look at some of the problems that delegations from the African constituencies to the Board have identified at the level of the Global Fund Secretariat with respect to poor grant absorption. The problems relate to conditions precedent and management actions, as well as policies on fixed vs. variable payments and country categorization.

5. NEWS: Appropriations committees in U.S. Congress vote to maintain funding for Global Fund and PEPFAR

BY DAVID GARMAISE

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6. NEWS: PEPFAR's new strategy has implications for the Global Fund

BY DAVID GARMAISE

As part of its new strategy, the (U.S.) President's Emergency Plan for AIDS Relief will have a particular focus on 13 countries with high levels of HIV that have the best chance of controlling their epidemics by 2020. The Global Fund Secretariat told Aidspan that it is already working on how best to coordinate its efforts with the new strategy. Health GAP, a U.S. NGO, was critical of the strategy.

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Nevertheless, the report calls for measures to strengthen CSOs

Panama will submit a joint TB/HIV funding request tailored to transition in February 2018

Kataisee Richardson 3 October 2017

"It is unlikely that Panama's HIV-related civil society can effectively survive the exit of the Global Fund or gain a greater foothold as a full partner in [the] planning, implementation and monitoring of the national HIV response." This is a key finding of the transition readiness assessment (TRA) report commissioned by the Panama country coordinating mechanism (CCM). Despite this gloomy assessment, however, the report calls for measures to strengthen civil society organizations (CSOs).

The 80-page report was completed by consultants from Aceso Global, a non-profit that provides strategic healthcare advisory services, and APMG Health, a social benefit corporation that works to improve the health and well-being of marginalized populations. Financial and technical support was provided by the Global Fund. A copy of Panama's TRA report is available here.

The TRA report was developed using a modular Guidance Tool, also developed by Aceso Global and APMG Health. The tool, which was commissioned by the Global Fund, was also used earlier this year in Cuba, Paraguay and the Dominican Republic.

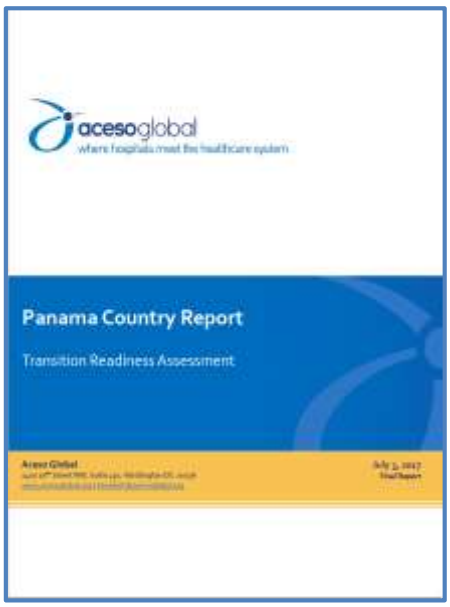
Panama's TB component is currently receiving its final regular allocation owing to Panama's classification as a moderate-disease-burden, upper-middle-income country. Panama's HIV component is still eligible for Global Fund support. However, World Bank projections indicate that Panama will become a high-income country prior to the next allocation period, which would make Panama's HIV component ineligible for both regular funding *and* transition funding from the Global Fund. Consequently, there is a strong possibility that the current HIV allocation will be Panama's last. As a result, in December 2016 the Global Fund recommended that Panama's 2017-2019 allocation, which totals $2.7 million, be used to fund a joint HIV/TB transition grant. Panama will submit a funding request tailored to transition in Window 4, in February 2018.

According to the Global Fund's Funding Request Instructions: Tailored to Transition, the funding request should outline the country's sustainability and transition-related programmatic and financial gaps. These gaps should be identified and prioritized by undertaking a TRA and/or an equivalent analysis of transition and sustainability at the

country level. This assessment forms the basis for developing a transition work plan, which ultimately guides the funding request and must be submitted with it.

The Global Fund Sustainability, Transition and Co-Financing Policy states that transition funding is not expected to be used to maintain the status quo of current grants or to extend for additional time the activities currently financed by the Global Fund. Instead, it should provide support to the transition *process*.

In Panama, the Global Fund Secretariat was involved in every step of the process of developing the TRA, facilitating initial contact with the CCM, with the consultants hired to conduct the TRA, and with in-country stakeholders (including community and civil society actors); providing relevant background documents to the consultants; undertaking country visits; and reviewing draft reports.



Civil society response

The TRA report identified financial, programmatic and governance gaps, bottlenecks and risks that need to be addressed. One area that requires attention is the sustainability of the civil society response. CSOs working on HIV are currently active in the response across all key populations, but are not well integrated into the *formal* response. There is currently only one CSO, PROBISIDA, receiving funding from the government through the Ministry of Health (MINSA).

The government is considering using social contracting to CSOs to provide HIV prevention services, but the model it is now using only funds medical services, which is vastly different from the community-based outreach interventions that are currently being funded but that are in danger of disappearing once Global Fund support ceases.

"Development of a broadened social contracting system for provision [of] HIV services, including prevention, for key populations is both possible and necessary," the TRA report said. "Given the political will available to assist in funding non-state actors to implement health interventions, it is ideal to lay the foundation for a sustainable social contracting program." The report said that this entails, among other things:

- developing and budgeting a specific prevention plan (based on scientific evidence) which includes provision of services by CSOs;
- strengthening community systems, including skills development, training on specific issues and conflict resolution processes;
- bolstering the mechanism for social contracting within MINSA; and
- strengthening government technical capacity for issuing tenders, and conducting transparent selection, monitoring and supervision of projects.

The report stated that in order to support the implementation of an enhanced combination prevention strategy and the social contracting mechanism mentioned above, it will be necessary to greatly expand the capacity of HIV CSOs for cooperation and joint program implementation with the government; and to build their technical capacity for program management under the new funding paradigm. This will require extended mentorship and support from external actors, the report said, and may also be supplemented by strengthening linkages to regional networks.

"There is urgent need for sustainability planning for CSOs, beyond the ability to apply for social contracts for service delivery from the Panamanian government," the report stated. The report recommended that that funding partners active in the region, including both PEPFAR and the Robert Carr Civil Society Networks Fund, be engaged to identify funding opportunities for supporting this work.

The report also recommended that the CCM and the country team work jointly to explore opportunities to introduce a funding model similar to what is being considered in Montenegro, whereby any future grant funds for CSOs from the Global Fund are awarded to the government specifically to be implemented via the social contracting mechanism. *[Editor's note: We hope to be able to describe the Montenegro model in a future GFO article.]*

The TB response has very limited civil society engagement, but the TRA report said that what does exist does not appear to be sustainable once the Global Fund withdraws. The government has contracted with former TB patients to become "TB promoters." The report said that although this is believed to have been an effective model, it is not very sustainable (for a variety of reasons, including that the promoters work in isolation from each other). "There may be opportunities for further organization and development of these cadres of promoters through integration with HIV service organizations," the report said.

Beyond social contracting, there is a need to strengthen the capacity of CSOs. Dayra Garcia, executive director of Asociación Viviendo Positivamente, an association of people living with HIV, told Aidspan that "we are very worried by the withdrawal of the Global Fund. Civil society capacity is weak and there are no resources to strengthen it." It will be imperative to build civil society's technical capacity to collaborate with one another as well as with the government and to manage and implement programming, she added.

The TRA report stated that CSOs are understandably resistant to being solely dependent on their own governments, due to the limitations that dependence imposes on their ability to advocate for legal and policy changes that require government action – and the fact that it puts them at the mercy of ever shifting budget priorities. The report recommends that support for community systems strengthening be requested from the Global Fund's Community, Rights and Gender Special Initiative, including through regional grants.

The good news is that in the case of Panama, national financing for HIV and TB is relatively assured. The government already transitioned smoothly to financing immunization programs; it currently finances 69% of the HIV program, and the MINSA delivery system manages most aspects of the program. However, there are some obstacles to overcome. The national

budgeting system has built-in rigidities. There are few incentives for effecting efficiencies or savings or for allowing the MINSA to reprogram savings.

However, based on the findings of the report, even if Panama is able to reduce inefficiencies and duplication to free up resources and to find creative and innovative mechanisms to finance the takeover of existing programs – there is still a need to scale up interventions that successfully target the reduction of stigma and discrimination in hard-to-reach communities and among key and other vulnerable populations. That said, scaling up interventions does not fall within the parameters of transition funding – although it is an absolute prerequisite to achieving the goal of ending the AIDS epidemic by 2030.

The next step will be to develop a work plan based on the recommendations of the TRA that is practical, measurable and costed, and that includes a detailed outline of steps that the country will take to ensure that at the end of three years, the entire response is funded by domestic resources.

Transitions in the rest of LAC

Aidspan plans to continue to report on the transition process in Panama as well as in other countries in the region. According to the Global Fund's 2017 Eligibility List there are several countries in Latin America and the Caribbean that are receiving their final regular grants from the Global Fund 2014-2016 allocations and that will be eligible for transition funding in the current allocation period for the following components:

- Belize (TB) (will submit joint-HIV/TB request)
- Cuba (HIV)
- Dominican Republic (TB)
- Panama (TB) (will submit joint HIV/TB request)
- Paraguay (TB)
- Suriname (TB) (will submit joint HIV/TB request)

The Paraguay malaria grant is also coming to an end; however, the malaria component will not be eligible for transition funding due to having very few cases.

With the exception of Cuba, which has already submitted a funding request (it is currently in the grant-making stage), the above-mentioned countries expect to submit their funding requests in February 2018.

The Dominican Republic has recently completed its TRA; Paraguay's TRA is currently being finalized; and Belize and Suriname have yet to begin preparing their TRAs. It is up to each country to decide whether they wish to make their TRA reports public. So far, Panama and the Dominican Republic have decided to do so.

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2. NEWS: Global Fund agrees to accept in-kind payment for recovery of $27 million owed by Ghana

Payment consists of reforms to enable the country to produce its Supply Chain Master Plan

David Garmaise 3 October 2017

The Global Fund has agreed to accept in-kind payment in lieu of cash for $27.4 million in recoveries owed by Ghana. The in-kind payment consists of reforms that Ghana must implement in order for the country deliver its Supply Chain Master Plan. This is the first time that the Fund has agreed to such an arrangement.

The $27.4 million was deemed to be recoverable after fire destroyed the central medical stores warehouse in Accra in January 2015. There was no insurance coverage. This is considered a "non-OIG" recovery because it was the result of events that occurred in the normal course of business, and was not the outcome of an OIG audit or investigation.

The Recoveries Report for the Period Ending 31 December 2016 states that "in light of significant macro-economic difficulties in Ghana and the fact that Ghana likely would not be able to repay $27.4 million," the country team and senior management recommended that the Global Fund accept a payment-in-kind approach up to the full amount of the loss on the condition that the Government of Ghana implement specific supply chain reforms. The absence of these reforms has been a major bottleneck for the programs supported by the Global Fund.

The agreement was negotiated in June 2016 but was only recently finalized because of a change in government in Ghana in December 2016.

Under the agreement, Ghana has undertaken to:

- **implement last mile distribution –** i.e. improve the availability of medicines and other health products at the service-delivery point level;
- **establish a logistics management information system (LMIS)** – i.e. improve the availability and quality of logistics data for better forecasting, quantification and budgeting. This will enable Ghana to make informed decisions about how to make optimal use of available resources;
- **optimize warehousing and distribution** – i.e. build an efficient and transparent supply chain for effective health-products management across the country; and
- **establish framework agreements for the procurement of essential medicines**. Ghana will establish mechanisms for the efficient use of available resources to achieve better value for money. The use of framework agreements will enable the Government of Ghana to make savings on the costs of health products which will, in the end, sustain Global Fund investments in the country and ensure that essential medicines and services are accessible to all Ghanaians.

Achieving each of these four milestones reduces the recoverable amount. If milestones are not achieved, the recoveries process would kick in again and the Global Fund would either reduce Ghana's 2017-2019 allocation on a two for one basis or demand other recovery actions.

The Recovery Report says that Ghana has also agreed (a) to repay without delay other outstanding recoverable amounts in the amount of $1.2 million stemming from an OIG audit, as well as some other amounts for expenditures that were deemed ineligible; and (b) to replace $3.8 million worth of defective condoms procured under previous programs. If Ghana defaults on these obligations, then the amounts involved become repayable.

Health partners in the country have endorsed the agreement.

Some information for this article was provided by the Global Fund Secretariat.

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3. NEWS: Global Fund to benefit from "breakthrough" ARV pricing agreement

State-of-the-art fixed dose combination regimen will cost $75 per patient per year

David Garmaise 3 October 2017

In what has been hailed as a "breakthrough" and a "game changer," a pricing agreement between the Bill and Melinda Gates Foundation and two generic drug companies will result in significant savings in the cost of antiretrovirals (ARVs). As a result of the agreement, starting in 2018 a state-of-the-art fixed dose combination ARV regimen will be available in 92 developing nations at a maximum cost of $75 per patient per year.

The news service *Reuters* was the first to report the agreement on 21 September.

The generic companies are Mylan Laboratories and Aurobindo Pharma, both based in India.

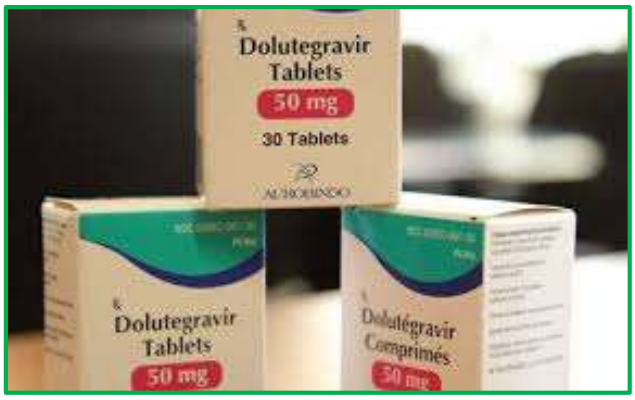
Besides the Gates Foundation and the two drug companies, a number of entities have been working on the pricing agreement. They include the governments of South Africa and Kenya, the Global Fund, Unitaid, UNAIDS, the Clinton Health Access Initiative (CHAI), the U.K.'s Department for International Development (DFID), PEPFAR and USAID.

The ARV regimen contains three drugs: tenofovir, lamivudine and dolutegravir, and is known as "TLD" for short. Dolutegravir (DTG), the newest of the three drugs, is an integrase inhibitor that avoids the drug resistance that often develops with older treatments. DGT is widely used in developed countries.

According to *Reuters*, the maximum price of about $75 per patient per year is less than the list price for one day's supply of a DTG-based combination regimen in the U.S.

DTG was originally developed by ViiV Healthcare, the HIV business majority-owned by GlaxoSmithKline. ViiV has offered licensing deals to generic companies to sell low-cost versions of the medicine in developing countries.

Reuters said that clinical trials have shown that treatment regimens that include DTG work faster, have fewer side effects and demonstrate greater potency against drug resistance than standard HIV drugs used in Africa and other developing countries. As well as improving treatment, the drug combination should also reduce the need for more expensive second- and third-line drugs.



Under the agreement, the Gates Foundation will guarantee minimum sales volumes of TLD. The parties to the agreement estimate that it could save health ministries and other public-sector purchasers more than $1 billion in drug costs over the next six years.

The Global Fund's head of communications, Seth Faison, told Aidspan that the Fund "strongly supports this initiative, intended to save more lives. Expanding access to quality health products, at the best available prices, is part of our strategy to ending HIV as an epidemic."

The Global Fund spends about $4 billion a year, of which 40% ($1.6 billion) is for the purchase of health products. Half of that amount – $800 million – is for ARVs.

The media platform *Devex* reported that the under the terms of the agreement, TLD can be licensed in countries categorized as middle-income; and that this will help increase access to ARVs for countries that graduate beyond low-income status.

"We're getting better at taking innovation from the West and making it available [elsewhere]," Anil Soni, head of global infectious diseases at Mylan Laboratories, told *Devex*.

The first generation of antiretroviral HIV treatments took 12 years to move from affordable use in developed countries to use in low-income countries, Soni explained. The second generation took six years. This third generation of ARVs, Soni said, took three years to find its way from wealthy pharmaceutical markets to countries struggling to increase the number of HIV-positive people on treatment.

"It should be zero, frankly," said Soni, who previously was chief executive officer at CHAI.

To build momentum for TLD and familiarize healthcare workers with the drug in resource-limited settings, CHAI partnered with Unitaid beginning in late 2016 to make generic DTG single tablets available in three early adopter countries: Kenya, Nigeria and Uganda.

UNAIDS said that in July of this year, Kenya approved the inclusion of DTG in its national ARV therapy program.

In a news release, UNAIDS said that the agreement is expected to accelerate treatment rollout as part of global efforts to reach all of the estimated 36.7 million people living with HIV with high quality ARVs. UNAIDS estimates that about half of them –19.5 million people – currently take ARVs.

South Africa

In a news release issued on 22 September and published by the AllAfrica news service, the South Africa Department of Health said that the new regimen will save South Africa about 11.7 billion rand (about $900 million) over the next six years. South Africa plans to launch a new tender for TLD in April 2018.

The new regimen "will have profound implications for the HIV treatment programme in South Africa's public health sector," the department said.

The number of patients in South Africa receiving ARVs has grown from 923,000 in 2009 to 3.9 million as of the end of August 2017. In September 2016, the department announced the roll-out of a test and treat initiative with the aim to have six million HIV-positive patients on treatment by 2022.

"Dolutegravir is a highly effective antiretroviral, which is well tolerated by patients and has fewer side effects. Patients are therefore more likely to be adherent and more likely to be virally suppressed, which means that they are not likely to transmit the virus to others," the department said.

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4. ANALYSIS: Identifying Secretariat-level impediments to full absorption of Global Fund grant money

Identified roadblocks include conditions precedent and management actions, and policies regarding fixed vs. variable payments and country categorization

Andrew Green 3 October 2017

According to representatives from the sub-Saharan Africa delegations to the Board, issues at the level of the Global Fund Secretariat contribute to the problems many countries experience with respect to fully absorbing grants. Representatives of the Secretariat respond that they are aware of the concerns the delegations are raising, but point to a need to balance swift disbursements with proper controls.

This third part of a Global Fund Observer series on the causes of lapsed funding considers these Secretariat-level challenges, as well as changes proposed to address them.

The delegations told Aidspan there are several actions and policies that create hurdles to full absorption.

In terms of actions, they pointed specifically to the introduction of conditions precedent and management actions. A condition precedent is a measure to address a critical issue that impacts grant implementation, but was not resolved by the time the grant agreement was signed. It is incorporated into the grant documentation and its conditions must be fulfilled before a specific action, often a disbursement, can take place. A management action is similar to a condition precedent, but addresses an issue that is not deemed to be as critical. If a principal recipient (PR) fails to meet the conditions or actions, the Secretariat can delay disbursement, which can then stall grant implementation.

Regarding policies, the delegations identified two: (a) fixed vs. variable payments for sub-recipients (SRs); and (b) country categorization. The delegations said that the rigorous nature of these policies can make it difficult for PRs and SRs to implement grant activities.

In all of these situations, the delays can make it difficult for PRs and SRs to meet targets set forth in the grant agreements, leading to lapsed funding.

Conditions precedent and management actions

Bernice Dahn, who is both the Liberian health minister and the alternate Board member for West and Central Africa, said both conditions precedent and management actions can lead to significant delays in implementing activities.

"The satisfactory attainment of many of those conditions limited country capacity to absorb, as some of the conditions were either unattainable or, in some instances, partially attainable given various circumstances, some of which were beyond the control of the government," she said. In instances where the countries or PRs are unable to meet the conditions or actions, this can cause significant delays in disbursements as they attempt to renegotiate the terms with country teams from the Secretariat.

Additional delays can be created by local fund agents (LFAs), who assess country disbursement requests. According to Ibrahim Tajudeen Olaitan, who was an advisor to the focal person for the West and Central Africa delegation, this has led to situations where the LFAs communicate problems to the Secretariat, which then alerts the countries through a management action letter, but sometimes not until months after the LFA's assessment. Meanwhile, disbursements are delayed and activities must be placed on hold until the management actions are resolved.

Olaitan said sometimes LFAs flag potential issues and delay disbursements without fully understanding the context that led to the situation. He urged the Secretariat to devolve more oversight responsibility to the country coordinating mechanisms which, he said, have a better contextual understanding of these issues and may be able to more quickly investigate and explain them than the LFAs or country teams.

Dahn said that the delegations from the African constituencies understood and appreciated the need for conditions precedent and management actions, but called for them to "be realistic and attainable given the country's own context and specificity."

Global Fund spokesperson Seth Faison said the Secretariat has to balance "country-specific issues against the need to uphold policies" and that doing so "requires evaluation on a case-by-case basis." Where implementing partners raise concerns, he said, country teams must carefully evaluate whether it is necessary to develop a tailored approach or suspend normal controls.

Fixed vs. variable payments

Dahn said the policy on fixed vs. variable payments was slowing grant implementation within her constituency. In countries under safeguard mechanisms or non-cash policies, SRs are allowed only to make fixed expenses, like salaries, while PRs must handle variable purchases, including supplies. This creates situations where PRs are required to deal directly with the suppliers on behalf of the SRs, which can take time away from the PRs' other activities.

"This has seriously slowed implementation and has made PRs implementers in a sense," Dahn said. Her solution is that "the PR should be advancing funds to SRs to implement and the PR should monitor the implementation and receive reports from the SRs."

Country categorization

The Global Fund has a policy that allows it to categorize some countries (or regions) as challenging operating environments (COEs). These countries are generally characterized by weak governance, poor access to health services and manmade or natural crises, which can make it difficult to implement activities.

The Secretariat has pursued a policy to "improve effectiveness in COEs through innovation, increased flexibility and partnership," but the COE designation also imposes requirements and conditions that can lead to delays in implementation, such as a no-cash policy with respect to the payment of invoices.

Syson Namaganda Laing, the focal point for the Eastern and Southern Africa delegation, said within her constituency there have been situations where grant activities were delayed because of the restrictions that come with the COE designation. She said it could be difficult to meet even the flexible requirements to bring on PRs and SRs and to work around a no-cash policy.

"Because of the additional safety policies and measures [related to the no-cash policy] there are delays getting them on board," she said. "This eats into grant implementation and absorption timelines." She suggested wider consultations on the implementation of safety measures after a COE designation has been made.

Efforts to improve absorption

Faison said the Secretariat's policies and actions are a reflection of its attempt to strike a balance between "the need for swift disbursements with proper controls so that we can be as effective as possible," and the need to avoid situations of inadequate supervision or waste. "Some delays are inevitable," he cautioned, for reasons that range from the need for documentation, fiscal analysis and oversight, to political developments in a country.

Faison said the Secretariat has made, and continues to make, efforts to improve grant absorption, including through the Implementation Through Partnership (ITP) initiative. Started in October 2015, the ITP focused on 20 countries – 18 of them from the two African constituencies – that had received allocations of more than $150 million and met one of the following criteria:

- historic fund absorption rates (expenditure vs. budget 2010-2014) of less than 70%; or
- scale-up of greater than 50% in annual expenditure required; or
- forecasted grant disbursements for the period 2015 (second quarter) to 2017 suggesting that greater than 20% of the country's allocation will remain undisbursed at the end of 2017.

The initiative was designed to work with a range of parties to identify bottlenecks to absorption and increase efficiency and effectiveness. Ultimately, the countries were expected to implement actions, monitor their impact and integrate that learning into their programs going forward. The initiative has transitioned into "Impact Through Partnership," which is now mainstreaming those lessons.

There have been two GFO articles about the ITP initiative (here and here). We plan to prepare an update on the ITP in the near future.

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5. NEWS: Appropriations committees in U.S. Congress vote to maintain funding for Global Fund and PEPFAR

President Trump had proposed cuts to both

David Garmaise 3 October 2017

The appropriations committees in the U.S. Senate and House of Representatives have approved funding for global health programs for the fiscal year 2018 at about the same levels as the previous year. In so doing, the committees ignored the budget proposed by President Donald Trump which called for cuts of $2.5 billion overall, including $225 million less for the Global Fund and $1 billion less for PEPFAR.

The U.S. 2018 fiscal year runs from 1 October 2017 to 30 September 2018.

The appropriations committees approved funding of $1.35 billion for the Global Fund; $4.6 billion for PEPFAR; $755 million for the President's Malaria Initiative (PMI); and $290 million for Gavi (the Vaccine Alliance). Having been approved by the committees, the budget bills now move to the full Senate and the full House of Representatives for a vote.

If the $1.35 billion for the Global Fund is approved by Congress, it will be the first contribution by the U.S. towards its pledge of $4.3 billion for the period 2017-2019. For 2014-2016, the U.S. contributed $4.1 billion.

The appropriations committees also approved funding of about $74 million for the Fogarty International Center (FIC) at the National Institutes of Health. The Trump administration had proposed to eliminate the center. The FIC promotes and supports scientific research and training internationally to reduce disparities in global health.

In policy provisions included in the budget bills, the Senate and the House of Representatives went in opposite directions. The Senate Appropriations Committee voted to reinstate funding for the United Nations Population Fund (UNFPA) and to overturn the global gag rule, a longstanding Republican policy that forbids U.S. support for international health organizations that offer or discuss abortion services. The Mexico City Policy, the formal name of the global gag rule, was put into effect during the Reagan administration, and has existed under every Republican administration since.

Meanwhile, the House Appropriations Committee voted to maintain the global gag rule and to deny funding to the UNFPA.

Some of the information for this article was taken from the websites of the Kaiser Family Foundation and Foreign Policy.

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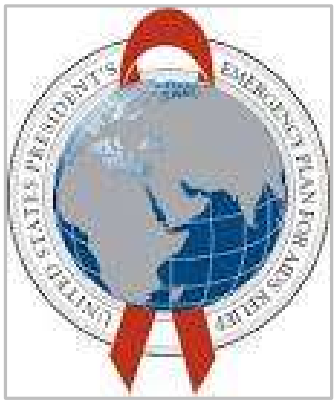
6. NEWS: PEPFAR's new strategy has implications for the Global Fund

PEPFAR will focus its resources in 13 priority countries

David Garmaise 3 October 2017

The (U.S.) President's Emergency Plan for AIDS Relief (PEPFAR) will "concentrate its resources" in 13 countries with high levels of HIV that have the best chance of controlling their epidemics by 2020, under a new strategy announced on 19 September by U.S. Secretary of State Rex Tillerson. However, people currently receiving treatment will still receive it, the State Department said, and PEPFAR will continue to operate programs in more than 50 countries.

The 13 countries are Kenya, Zambia, Tanzania, Uganda, Zimbabwe, Malawi, Lesotho, Côte d'Ivoire, Botswana, Namibia, Swaziland, Haiti and Rwanda. The State Department defines "controlling their epidemics" as "the point where there are more deaths each year from AIDS than there are new HIV infections."



According to an article in *Reuters*, five of the target countries – Lesotho, Swaziland, Malawi, Zambia and Zimbabwe – are already nearing control of their HIV epidemics. This assessment is based on national surveys from the Centers for Disease Control and Prevention, Columbia University and local governmental and non-governmental partners.

The strategy covers the period 2017-2020, but it is likely to kick in at the start of the U.S. 2018 fiscal year, which runs from 1 October 2017 to 30 September 2018.

The new strategy comes at a time where there is uncertainty over the size of the PEPFAR budget. The administration of President Donald Trump had proposed that the program's approximately $6 billion annual budget be cut by $1 billion. However, the Senate Appropriations Committee voted recently to maintain the budget at $6 billion. (See separate article in this issue.)

The 12-page strategy document was short on specifics. It does not explain, for example, how much of PEPFAR's budget will be devoted to the 13 priority countries, or by how much the budget for other PEPFAR countries will be reduced.

The U.S. NGO Health GAP was critical of the new strategy. "The plan includes a greater push toward epidemic control in 13 target countries, but takes the foot off the gas for more than 37 countries PEPFAR does not designate as 'priority,' leaving behind millions of people living with HIV due to a lack of resources and a waning commitment to evidence-based strategies," Health GAP said in a news release.

"The strategy announced today is the kind of global AIDS response policymakers craft when they have one hand tied behind their backs," said Asia Russell, Health GAP's executive director. "An ambitious strategy … would aggressively map out a plan for ending AIDS as an epidemic in all countries, including those with the highest burden and greatest need such as Mozambique, South Sudan, the Democratic Republic of Congo and other parts of West Africa."

The Global Fund invests in all of the countries where PEPFAR operates. All 50 PEPFAR countries have already been notified of their Global Fund allocations for 2017-2019. Of PEPFAR's 13 priority countries, all but one (Botswana) have already submitted their funding requests. Most of the other 37 countries have also already sent in their proposals

PEPFAR and the Global Fund work together to ensure that their respective investments complement each other. The Fund's Head of Communications, Seth Faison, told Aidspan that the Secretariat is already working on how to best coordinate efforts with PEPFAR's new strategy, "which we support."

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

Aidspan Executive Director: Ida Hakizinka (ida.hakizinka@aidspan.org).

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