Independent observer of the Global Fund

Global Fund Observer

NEWSLETTER

Issue 349: 30 January 2019

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BY IDA HAKIZINKA

With every replenishment comes a greater push toward domestic financing, says Aidspan Executive Director Ida Hakizinka in this commentary. The Global Fund has set a $14 billion target for its next three-year funding cycle. The Fund projects that domestic resources will contribute another $46 billion, an increase of 48% over the current cycle. Although we recognize that domestic funding has increased in recent years, Hakizinka says, the available funds are not enough to meet the needs laid out in the countries' strategic plans. She adds that the upcoming Addis-Ababa and New Delhi meetings have the potential to influence the domestic financing trajectory.

4. NEWS: Global Fund's Differentiation for Impact project only partially effective, OIG says

BY CHARLIE BARAN

A report from the Office of the Inspector General on the Secretariat's oversight of funding requests and grants from Focused countries describes why the "Differentiation for Impact" initiative has not led to the efficiencies originally envisioned. Significant improvements will be needed, the OIG says, to better align administrative burdens with grant size for these relatively small portfolios.

5. NEWS: New implementation arrangements for the Global Fund's TB grants to Nigeria

BY DAVID GARMAISE

During the first six months of 2019, new implementation arrangements will be phased in for Nigeria's TB and TB/HIV grants. Under the new arrangements, the National Tuberculosis and Leprosy Control Program will manage TB activities in public health facilities and communities; and the Institute of Human Virology Nigeria will manage implementation of the private sector component.

6. NEWS: The Global Fund seeks the right balance between risk mitigation and grant implementation in Mali malaria grant

BY DAVID GARMAISE

Acknowledging that there are implementation challenges associated with a Mali malaria grant that it recently recommended for approval, the Grant Approvals Committee said that it welcomed the Secretariat's plans "to identify bottlenecks, and holistically review and harmonize the controls in place with the aim of balancing risk mitigation and effective grant implementation." The concern about balancing risk mitigation and grant implementation has been raised before in other grants.

7. NEWS: Three multi-country initiatives were among grants approved by the Global Fund Board

BY DAVID GARMAISE

Among the grants approved by the Global Fund Board on 21 December 2018 were two multi-country grants in Eastern Europe and Central Asia and one in West and Central Africa. An EECA TB grant was designed to improve early drug-resistant TB case detection and treatment outcomes. Another grant will support a network of supranational TB reference laboratories in the WCA. The third grant targets HIV-related key populations in the EECA.

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BY KATAISEE RICHARDSON

Following an audit of Global Fund grants in the Chad, the Office of the Inspector General has determined that measures put in place under the Fund's Additional Safeguard Policy have helped "to reduce, but not sufficiently mitigate, significant financial and programmatic risks." Although Chad has received extra flexibility and capacity building in light of its classification as a challenging operating environment, significant weaknesses remain, the OIG said. The OIG and the Secretariat have agreed on four management actions to be implemented by the end of this year.

9. NEWS: TRP identifies gaps in human resources for health interventions in funding requests to the Global Fund

BY DAVID GARMAISE

"Many funding requests do not acknowledge or address the common problem of shortage or maldistribution of human resources for health," the Technical Review Panel said in a recent report on RSSH investments in the 2017–2019 allocation period. The TRP analyzed 50 funding requests from Windows 1–5. This is one of three GFO articles on the report.

10. NEWS: Funding requests to the Global Fund need a stronger focus on integrated service delivery, TRP says

BY DAVID GARMAISE

Integration, both across the three diseases as well as more broadly to other health services — such as reproductive, maternal, newborn, child and adolescent health — is lacking in funding requests, the Technical Review Panel says in a recent report on RSSH investments in the 2017–2019 allocation period. The TRP analyzed 50 funding requests from Windows 1–5. This is one of three GFO articles on the report.

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ARTICLES:

1. NEWS: Step up or slip back? The case for investing $14 billion for the Global Fund's Sixth Replenishment

"We must build on the gains we have made, or we [will] see those achievements eroded"

David Garmaise **30 January 2019**

"Step Up the Fight" is the title of the Investment Case document published by the Global Fund for the Sixth Replenishment. That phrase accurately reflects the central message of the Investment Case which is that the Fund and its many partners need to "build on the gains we have made, or we [will] see those achievements eroded, infections and deaths resurge, and the prospect of ending the epidemics disappear."

A summary of the Investment Case was released on 11 January 2019, ahead of the replenishment preparatory meeting which will take place next month in New Delhi, India. The full Investment Case document has been provided to Board members but has not yet been released publicly.

On 11 January, as reported in the last issue of GFO, the Global Fund also announced that it has set a target of $14.0 billion for the Sixth Replenishment.

This article covers three topics: (1) the Investment Case; (2) the $14 billion target; and (3) comments from civil society on the target. Please see the separate article in this issue on the preparatory meeting.

Investment Case

The purpose of the Investment Case is to provide a strong rationale for why donors should increase their contributions to the Global Fund.

The investment case states that although we have achieved remarkable progress, "we are not on trajectory to reach the Sustainable Development Goal (SDG) target of ending the epidemics by 2030. Wavering political commitment, shortfalls in funding, and increasing insecticide and drug resistance have slowed progress and enabled the diseases to gain ground."

From 2002–2018, the Global Fund has invested $19.6 billion in HIV programs (20% of all international funding); $8.2 billion in TB and TB/HIV programs (65% of the funding); and $11.4 billion in malaria programs (57% of the funding). Table 1 provides selected key results of these investments.

Table 1: Some key results from programs supported by the Global Fund (2017)

HIV	TB	Malaria
• **17.5 million** people on ART • **4.9 million** people from key populations received prevention services • **696,000** HIV-positive mothers received PMTCT • **79.1 million** HIV tests taken	• **5 million** people treated for TB • **102,000** people treated for MDR-TB • **97,500** children in contact with TB patients received preventive therapy	• **195 million** mosquito nets distributed • **108 million** cases treated • **12.5 million** structures covered by IRS • Mortality rates lowered by **60%** since 2001

Source: Results Report 2018. Global Fund

The Investment Case states that there are new threats that have to be addressed. For example, after years of steady declines, malaria cases are on the rise. "Mosquitoes in Africa are developing resistance to the most common insecticides used to treat mosquito nets, and in the Mekong region we are seeing growing resistance to the world's most successful malaria drug."

> "If we don't prevent teens, particularly girls, from getting infected with HIV," the investment case warned, "the massive increase in the youth population in Africa will lead to more new infections than [we experienced] at the height of the epidemic in the early 2000s."
>
> – *Investment Case*

A second example of threats is the fact that more than 10 million people fall ill with TB every year, 40% of whom are "missed." Multiple-drug-resistant TB is increasing (in 2017, it infected more than 600,000 people) and is difficult and expensive to treat.

HIV programs also face challenges related to resistance. In sub-Saharan Africa, more than 10% of people starting antiretroviral therapy have a strain of HIV that is resistant to some of the most common HIV drugs.

A further reason why increased funding is required is that the Global Fund is stepping up its investment in new tools and innovations — for example, piloting new mosquito nets to combat insecticide resistance in Africa.

The Investment Case states that we need (a) more innovation in diagnostics, prevention, treatment and delivery models; (b) greater collaboration; (c) a relentless focus on improving execution; (d) more granular and timely data; and (e) more money.

The Investment Case also says that "if we don't tackle the stigma and discrimination that fuels the epidemic among marginalized key populations, we will never stop new infections. One out of four people infected with HIV still doesn't know they have it. Only half of HIV positive children receive antiretroviral therapy."

$14 billion target

The Investment Case states that the target of at least $14.0 billion for the Sixth Replenishment represents an increase of 15% ($1.8 billion) over the $12.2 billion raised during the Fifth Replenishment period.

> "A fully funded Global Fund, alongside sustained levels of other external funding and significantly scaled-up domestic financing, plus more innovation, more intensive collaboration and more rigorous execution, would enable delivery of the Global Fund Strategy targets for 2022 and put us on a trajectory toward attaining the SDG 3 target of ending the epidemics by 2030."
>
> – *Investment Case*

(At the end of the Fifth Replenishment pledging conference in 2016, the Global Fund said that $12.9 billion was pledged. The difference between the $12.2 billion and $12.9 billion figures can be attributed to currency fluctuations. Pledges and contributions are both made in local currencies. The contributions are usually made some time after the pledges are announced and may be made in instalments. Thus, the total in U.S. dollars can vary significantly depending on when the contributions were made; what the currency exchange rates were at that time; and what assumptions are made regarding the timing of future contributions, and regarding the exchange rates that will be in effect then.)

Table 2 shows the targets and actual pledges for the last four replenishments.

Table 2: Replenishment targets and amounts pledged for the last four replenishments ($ billion)

	Fifth replenishment 2017–2019	Fourth replenishment 2014–2016	Third replenishment 2011–2013	Second replenishment 2008–2010
Target	13.0 b	15.0 b	13.0–20.0 b [1]	12.0–18.0 b [1]
Amount pledged [2]	12.9 b	12.0 b	11.7 b	9.7 b

Notes:

[1] For the Second and Third Replenishments, the Global Fund set a range of targets based on multiple scenarios.

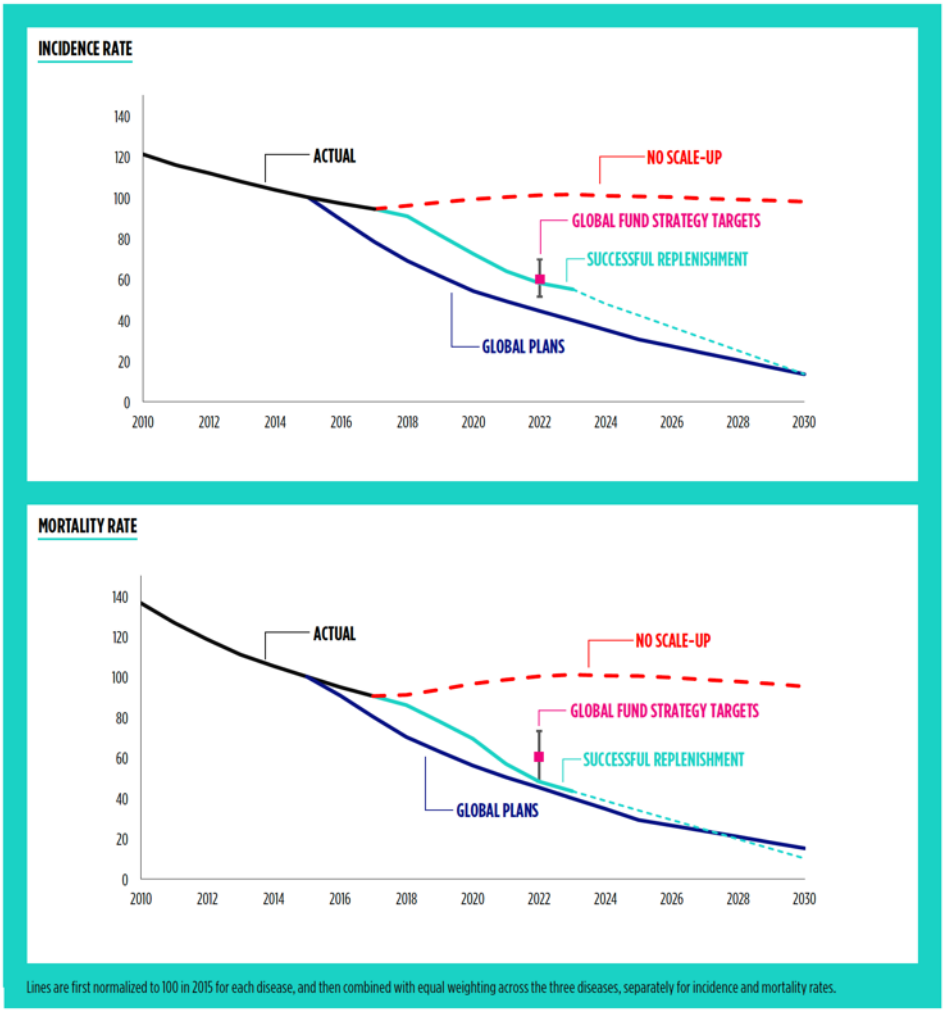
[2] This row shows total pledges made at the replenishment conferences held in September or October of the year preceding each replenishment period. Note that in each replenishment period, some pledges are made after the replenishment conference, though the amounts involved are not very significant (for example, about $100 million for the Fifth Replenishment). Historically, virtually all pledges have been converted into contributions.

The Global Fund says that contributions of at least $14.0 billion would enable the Global Fund to save 16.0 million lives in the period 2021–2023; reduce mortality rates by more than half by 2023 (over 2017 levels); and avoid 234.0 million infections. It would also enable programs supported by the Global Fund to accelerate progress towards Sustainable Development Goal 3 and universal health coverage; to strengthen health care systems; and to tackle inequities in heath (such as human rights– and gender-related barriers).

> **"**Nearly 1,000 adolescent girls and young women are infected with HIV every day. A child still dies every two minutes from malaria. And TB is now the world's leading killer among infectious diseases."
>
> – *Investment Case*

The figure on the next page shows projected incidence and mortality rates for the three diseases combined based on different funding scenarios.

Figure: Actual and projected incidence and mortality rates using different funding scenarios



Source: Step Up the Fight: Investment Case Summary — Sixth Replenishment 2019 (Global Fund)

The Investment Case states that total funding from all sources should grow from $66.0 billion in the current cycle (2018–2020) to at least $83.0 billion for the next cycle (2021–2023), an increase of $17.0 billion.

(The cycles referred to in the previous paragraph are three-year grant implementation periods. These are slightly different from replenishment and allocation periods. The grant implementation periods are one year further out. To illustrate, the majority of implementers who are informed of their allocation for 2020–2022 towards the end of 2019 will submit their funding proposals in the first half of 2020 and will start implementing their new grants in January 2021. Their implementation period will be 2021–2023.)

The Global Fund said that most of the $17.0 billion increase will come from increased domestic funding. The Investment Case projects that domestic funding will rise from $31.1 billion in 2018–2020 to $46.0 billion in 2021–2023 an increase of $14.9 billion or 48%. (The $31.1 billion and 14.9 billion figures were calculated by Aidspan based on the information in the Investment Case summary.)

The $83.0 billion figure does not represent the total need. The $83.0 billion figure is the level of funding that the Global Fund *projects can be achieved* for the 2021–2023 period. The investment case states that the estimated total need is actually $101.0 billion. So, if $83.0 million is raised, there would still be a shortfall of $18.0 billion. (See Table 3.)

Table 3: Estimated need and projected funding for 2021–2023 (as per the Investment Case)

Estimated need	**$101 billion**
Projected funding	
Global Fund Replenishment	$14 billion
External funding (other donors)	$23 billion
Domestic funding	$46 billion
Total projected funding for 2021–2023	**$83 billion**
Estimated need of $101 billion *minus* Projected funding of $83 billion = $18 billion SHORTFALL	

Reaction from civil society

As we said in an article in the last issue of GFO, some civil society organizations involved with the Global Fund have declared that the investment case is not ambitious enough with respect to the existing needs and gaps in the HIV, TB and malaria responses.

The Global Fund Advocates Network (GFAN) said in a statement that the $14.0 billion target is not enough to significantly step up the response to the three diseases. In a report released in July 2018, the Global Fund Advocates Network (GFAN) had called for a replenishment of between $16.8 billion and $18.0 billion.

"The $14 billion is critically needed to maintain current lifesaving programming [and to] ensure people currently supported will not be left without treatment or protection," GFAN

stated, "but without evidence, we believe it may not be sufficient to scale the response needed to get us back on track to meet our global targets."

"As the investment case itself highlights," GFAN said, "the most effective — and only — way to sustain the gains over the long term, in the face of resistance and other threats, is to end these epidemics. We know how to accelerate the end of these diseases, we have the tools and science, but without significantly higher levels of global funding, including for the Global Fund, we simply are not going to get there by 2030."

In a news release published by several civil society organizations on 17 January, Maurine Murenga, who represents Communities on the Global Fund Board, said that "$14 billion is the floor and not the ceiling and represents more of a maintenance than a scaled-up response."

> "If we don't prevent teens, particularly girls, from getting infected with HIV, the massive increase in the youth population in Africa will lead to more new infections than [we experienced] at the height of the epidemic in the early 2000s."
>
> — *Investment Case*

Ms Murenga added, "We need to give the Global Fund, which is a unique and powerful mechanism in the fight against the three diseases, the ability to do more and to get back on track. This means the need for increased political commitment and resources from all donors to go above and beyond the $14 billion ask."

On 16 January, a group of global NGOs said in a statement that "advocates are questioning the rationale for a financing goal of only $14 billion to meet the needs of the tens of millions of people who are directly affected by AIDS, tuberculosis and malaria."

The Global Action for Gay Men's Health and Rights (MPACT), the Global Action for Trans Equality (GATE), the Global Network of People Living with HIV (GNP+), the Global Network of Sex Work Projects (NSWP), and the International Network of People Who Use Drugs (INPUD) said that they are "extremely concerned that the Global Fund's unambitious investment case will provide for, at best, only the maintenance of existing treatment, care and prevention targets over the next three years."

More worrisome, they said, is that this recent announcement "sets the stage for a rollback, or even a reversal, of political commitments made by U.N. member states towards achieving the 2030 Fast Track targets, the 25% target set for prevention, the Sustainable Development Goals, as well as the Global Fund's own 2017–2022 Strategy."

On 25 January, Devex reported that 137 members of the U.S. Congress sent a letter to the Trump administration asking for an increase in the U.S. contribution to the Global Fund. The letter does not include a specific funding request, in part because it was drafted before the Global Fund announced its $14 billion target. But Chris Collins, president of Friends of the Global Fight, said the U.S. should contribute about $4.8 billion ($1.6 billion a year). The U.S. pledged $4.3 billion for the last replenishment in 2016.

In another development, at the World Economic Forum meeting in Davos (22–25 January), Bill Gates, Bono, Seth Berkley (E.D. of Gavi, the Vaccine Alliance) and other leaders joined Global Fund E.D. Peter Sands in calling on the private sector to mobilize at least $1.0 billion for the Sixth Replenishment. For the Fifth Replenishment, the private sector pledged about $850 million (this includes $632.0 million from the Gates Foundation). (Source: Global Fund news release and its pledges and contributions spreadsheet.)

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2. NEWS: CSOs in India and the Asia-Pacific region focus on the preparatory meeting for the Global Fund's Sixth Replenishment

CSOs want India to double its health spending

David Garmaise **30 January 2019**

The preparatory meeting for the Global Fund's Sixth Replenishment, which is scheduled for 7–8 February 2019 in New Delhi, is the first such meeting to be held in an implementing country.

Preparatory meetings have been organized for each of the last few replenishment campaigns. The purpose of these meetings is to provide donors and partners with an opportunity to discuss the Investment Case and the impact that the Global Fund expects to achieve if its replenishment target is attained.

CSOs from India and the Asia-Pacific region have been busy planning for the New Delhi meeting. The Global Fund Advocates Network Asia-Pacific (GFAN AP) and the India Working Group (IWG) for the Sixth Preparatory Meeting held a Communities and Civil Society Planning Meeting on 16–17 January 2019 in New Delhi.

The meeting aimed to support joint strategizing and to create synergies among representatives of CSOs and communities in India, regionally and globally — to advocate for a fully funded Global Fund leading up to the Sixth Replenishment Pledging Conference which will be held in October 2019 in Lyon, France.

Are African countries ready for the Global Fund's Sixth Replenishment's push toward greater domestic financing to end HIV, TB and malaria?

See separate commentary in this issue by Ida Hakizinka.

The Preparatory Meeting is also providing an opportunity for the Indian CSOs to shine a spotlight on the response to the HIV, TB and malaria epidemics in India as well as on efforts to build resilient and sustainable systems for health. In particular, the CSOs are advocating for universal health coverage and increased domestic financing for the three diseases.

The 17 January 2019 news release from CSOs stated that "the global community is looking at the Indian government to further demonstrate leadership and commitment towards a fully funded Global Fund" by rallying other donors — including donor countries, the private sector, private foundations and high net worth individuals — to promote increased pledges to the Sixth Replenishment.

The CSOs are calling on the Government of India to increase its pledge for the Sixth Replenishment from $20 million (for the Fifth Replenishment) to at least $40 million. The CSOs said that this increased pledge should be announced early to demonstrate, in the words of Daxa Patel, President of National Coalition of People Living with HIV in India, "momentum and leadership for the Sixth Replenishment" and "India's commitment and solidarity towards global health."

India's National Strategic Plan for HIV has a budget of $4.7 billion for the period 2017–2022; there have been substantive increases in domestic budgets for the country's TB program; and India's National Strategic Plan for Malaria calls for $1.5 billion to be spent for the period 2017–2022.

"Despite these investments and commitments, India is still not on track," the CSOs said. "Public spending on health is still around 1.2% of GDP, which is significantly lower than peers of similar income levels. With such low priority accorded to health by the government, the Indian population has one of the lowest levels of financial risk protection for health in the region with the majority paying out-of-pocket for healthcare."

Sonal Mehta, Chief Executive of the India HIV/AIDS Alliance, stated that the Government of India should immediately increase health expenditures as a percentage of GDP from the current 1.2% to 2.5%. (The government has a goal to reach 2.5% by 2025.) Ms Mehta also called on Indian states to increase their health spending to over 8% of their total budgets and to fully fund the response to HIV, TB and malaria.

> ***Editor's Note:*** *In addition to the preparatory meeting in New Delhi on 7–8 February, another important meeting — the African Leadership Meeting on Investing in Health — takes place on 9 February in Addis Ababa, Ethiopia. The topic of domestic resources for health will be high on the agenda. See separate commentary in this issue by Ida Hakizinka.*
>
> *See also a separate article in this issue on the Investment Case for the Global Fund's Sixth Replenishment.*

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3. COMMENTARY: Are African countries ready for the Global Fund's Sixth Replenishment's push toward greater domestic financing to end HIV, TB and malaria?

Health funding competes with funding for basic social needs such as education and nutrition

Ida Hakizinka **29 January 2019**

This year (2019) is a replenishment year for the Global Fund. With every replenishment comes a greater push for more domestic financing. Are the African countries ready?

This time around, the Global Fund Secretariat has set a $14.0 billion target for its next three-year funding cycle (2020–2022). This is $1.8 billion higher than its last replenishment cycle when it raised $12.2 billion. It is expected that overall resources invested in fighting HIV, TB, malaria and health system strengthening will continue to grow, even as total resource needs are expected to peak in 2020, and then begin to decline.

The Global Fund is projecting that domestic resources will contribute $46.0 billion for the grant implementation period 2021–2013, an increase of 48% over the current period. Increasing domestic resources for health remains a tall order for countries that continue to experience daunting gaps in financing, with health competing with basic social needs such as education and nutrition. Country domestic financing faces a "triple transition" challenge: replacing donor funding; closing the resource gap that would exist even with donor funding; and more efficiently delivering on universal health care objectives. Strong political commitment and leadership is critical to driving further progress in domestic financing.

Two meetings in the coming weeks have the potential to influence the domestic financing trajectory. The first is the Preparatory Meeting of the Global Fund's Sixth Replenishment (2020–2022), hosted by the Government of India in New Delhi on 7–8 February 2019. The African Leadership Meeting on Investing in Health (ALM) is strategically scheduled for the following day, 9 February, a day before the summit where African Union (AU) Heads of State and Government will meet in Addis Ababa on 10–11 February. The ALM has set its sights on securing the commitments of Heads of State, the private sector and participating organizations to increase domestic financing, strengthen health systems and achieve universal health coverage.

The 2018 Africa Scorecard on Domestic Financing for Health demonstrated that 36 of the 55 AU Member States (65.5%) increased the percentage of GDP invested in health over the previous financial year. Although domestic contributions by low-income and lower-middle-income countries to their HIV, TB and malaria responses accounted for around one-third or less of their funding to tackle these diseases between 2015 and 2017 (see GFO article), this

still represents an improvement because countries face so many competing priorities. Despite this increased investment in health, only two (3.6%) of the 55 AU Member States meet the target of dedicating at least 5% of their government budget to health to a level exceeding $86.30 per capita.

The African Leadership Meeting on Investing in Health is therefore well-placed to call for partnerships to ensure that strategies are in place for diversified, balanced and sustainable financing for health through the development of strategic health investment plans and strategies, including from the private sector. This will require working with partners to create regional platforms to support relevant ministries including Finance and Health to catalyze, capture and scale innovations, best practices and gaps.

The Heads of State that signed onto the 2016–2030 Africa Health Strategy requested multilateral, bilateral and private sector partners to support the platforms and to use them to align their efforts to those of Member States in order to increase domestic financing, including through improved taxation and health insurance efforts. An important catalyst that will require partnership is improving the monitoring of health financing through greater annual implementation of National Health Accounts and wider dissemination. In addition, countries must redouble efforts to promote national health insurance systems, including greater coordination with, and access to the resources of, the Global Fund; Gavi, the Vaccine Alliance; and the African Development Bank.

The Global Fund's Executive Director, Peter Sands, has famously referred to the false dichotomy between ending the epidemics and building health systems. Sands argued for a country-by-country approach to shifting resources from disease-specific priorities to building health systems as whole. The countries' domestic financing investments must be valued even as the call for increased domestic financing is stepped up. After all, in making these health system investments, countries are seeking the highest value for money, outcomes and impact.

And although we recognize that domestic funding has increased in recent years, the available funds are not enough to meet the needs laid out in the national strategic plans for health and for HIV, TB and malaria. Countries will need to raise and allocate more funding towards the health sector and to the three diseases. Countries can raise additional health financing by increasing tax revenues, budgetary reallocation (from low-priority expenditures) and debt relief (which frees up additional domestic resources that can be invested in health). All these depend on political will, hence the need for increased advocacy at the upcoming meetings in New Delhi and Addis Ababa.

Domestic financing remains a vision that we must support.

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4. NEWS: Global Fund's Differentiation for Impact project only partially effective, OIG says

"Significant improvement" needed in efforts to streamline oversight of small-allocation and low-disease-burden grants

Charlie Baran **29 January 2019**

Despite a 2016 strategic initiative to reallocate Secretariat staff for countries with smaller (Focused) portfolios to countries with larger (Core or High Impact) portfolios, and to reduce the administrative burden on Focused portfolios, "grant management processes and procedures in Focused portfolios remain largely the same" as for the larger portfolios. This is the main finding of an audit conducted by the Global Fund's Office of the Inspector General (OIG) on grant oversight for Focused portfolios. A report on the audit was published on 26 November 2018.

Audit findings: Summary

The audit looked at the impact of the strategic initiative, "Differentiation for Impact," which aimed to better align the scope of grant oversight with the size of the actual grants. The OIG concluded that the initiative was only partially effective, and that "significant improvement is needed for efficient oversight of Focused portfolios."

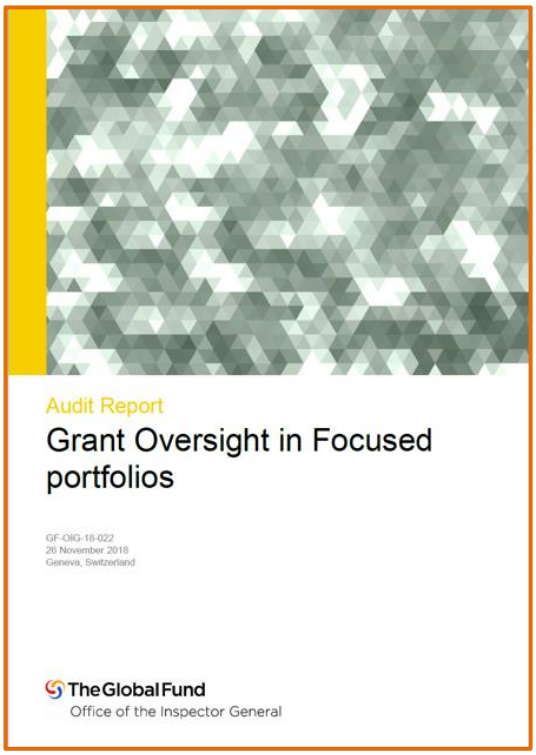
The Differentiation for Impact project was part of a suite of strategic initiatives launched by the Fund in 2016 within the framework of a "Prioritized Action Plan (PAP)." (See GFO 302 for details on the PAP.)

In the audit report, the OIG noted that while there have been some important reallocations of Secretariat staff from small grants to Core and High Impact portfolios, and while some management processes have been streamlined, the overall management protocol of grants in Focused portfolios remains more or less the same as for grants in the Core and High Impact categories. As a result, there isn't as much "differentiation" as was envisioned.

The report indicates that "processes and controls across the funding cycle remain unsimplified for the Secretariat and implementers." The main reason the OIG gave for this was that the Global Fund has not adequately defined organizational strategic priorities for Focused portfolios, and that "country teams do not consistently leverage the flexibilities created by the differentiated processes due to a number of competing initiatives and strategic priorities which apply to Focused portfolios."

It appears that while there was a desire to reduce the oversight for small grants, and a reduction in staff for these grants was accomplished, the actual oversight expectations did not change for the smaller grants. In essence, the Fund reduced the people but not the job.

The OIG highlights that the Global Fund's operational costs for focused portfolios is way out of proportion to the disease burden represented by those countries. Focused portfolios represent 6% of the total disease burden of countries supported by the Fund, but their management accounts for 20% of the Grants Management Division's total personnel expenditures.



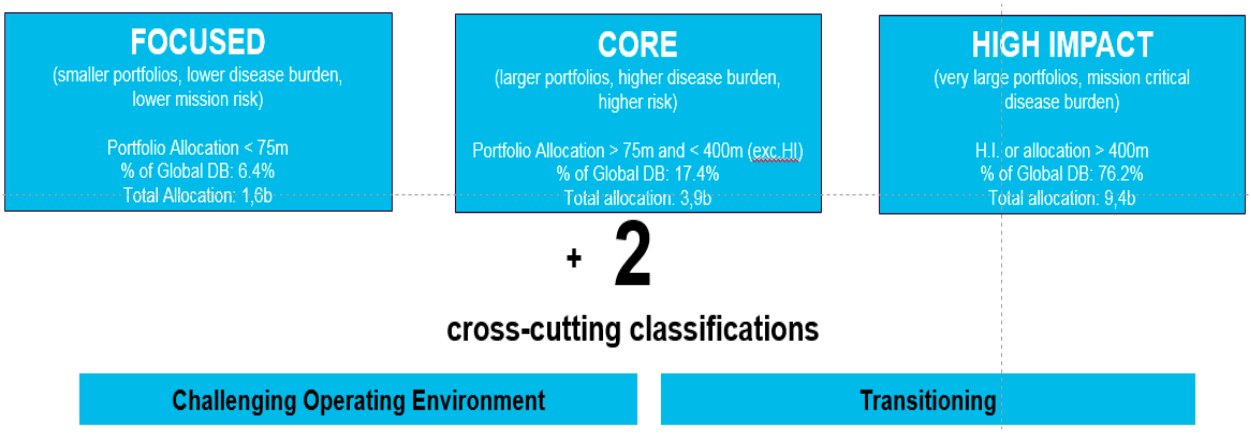
While the OIG laments this reality, it suggests there is little room for improvement unless major changes are made to the Fund's investment model and overall portfolio — i.e. fewer grants, implementers and interventions. However, a major overhaul such as this is far beyond the scope of this audit.

The Global Fund Secretariat declined our request to speak with fund portfolio managers (FPMs) for this article.

Evolution of differentiation

The Differentiation for Impact project was meant to strengthen prior differentiation efforts, such as those emanating from the 2011 High-Level Panel recommendations in their final report entitled "Turning the Page from Emergency to Sustainability." A wave of reorganization that occurred starting in about 2012 resulted in the establishment of country teams and separate departments for High Impact portfolios in the Grants Management Division. In 2016, as a result of the Differentiation for Impact project, three grant categories were established — Focused, Core, and High Impact — along with two cross-cutting classifications: challenging operating environment and transitioning portfolio (see the figure).

Figure: Framework applied for Differentiation for Impact Project



Source — OIG audit report: Grant Oversight in Focused Portfolios

At the beginning of the Differentiation for Impact initiative, there were 87 focused portfolios, mostly consisting of grants outside of sub-Saharan Africa. According to the OIG report, at that time the Focused portfolios accounted for about 11.6% of total Global Fund allocations, whereas by the 2017–2019 allocation cycle, they accounted for only 6% of all allocations.

Audit findings in more detail

Finding 1: Limited differentiation applied to funding application and grant management processes specific to Focused portfolios

In the current allocation cycle, the grant application process has been differentiated. There are now three different types of grant applications based on the country context and level of allocated funding — full review, program continuation and tailored. The tailored category is sub-divided as follows: material change, transition, challenging operating environment, and national strategic plan.

The OIG found that although most funding requests from Focused portfolios are designated as “program continuation” or “tailored,” their applications are subjected to the same review and approval processes as funding requests from High Impact and Core portfolios with the same designations. This means that many relatively tiny funding requests undergo as much scrutiny as funding requests for the Global Fund’s largest portfolios. The OIG stated that the next allocation cycle will provide opportunities to further refine the access to funding processes especially as they relate to Focused portfolios.

Another area for further refinement relates to grant implementation. While grants from Focused countries are only required to submit one annual progress report (as opposed to bi-annually for Core and High Impact countries), the scope and level of detail of those reports is the same as that for other countries. The OIG sees an opportunity here to reduce administrative burden through simplifying reporting for Focused portfolios.

Finding 2: Unclear requirements and weak change management limit the effectiveness of some differentiated processes

The second finding has to do with inadequate implementation of differentiated processes by country teams. The OIG noted that while guidance was supplied to country teams on the priorities and principles of differentiation for Focused portfolios, their uptake was insufficient.

One example relates to performance frameworks and indicators. In this case, the guidance from management indicated that focused portfolios should have a maximum of six to eight performance indicators. Instead, the OIG said, Focused portfolios were found to have an average of nine indicators, while one-third of them had 10 or more indicators. All exceptions to the maximum number of indicators are supposed to be "discussed and approved" by the Monitoring, Evaluation, Control and Analysis team. According to the OIG, however, this has not been consistently applied.

Finding 3: Inefficiencies in grant oversight of Focused portfolios

In what is perhaps the most critical of the three findings, *Finding 3* describes a major lapse in methodically approaching the implementation of differentiation. "In the absence of clear priorities and defined, expected outcomes for Focused portfolios," the OIG stated, "there is limited direction on how they should be managed."

The OIG report highlights that multiple overlapping priorities can create confusion and ultimately lead to inefficient management of small portfolios. One example the report offers is that many grants from Focused countries, almost by their very nature, are transitioning away from Global Fund support or are nearing transition and, therefore, are subject to the Sustainability, Transition, and Co-Financing (STC) Policy. The policy comes with a whole set of processes that Secretariat and country-level actors must undertake. However, with their reduced staff, many Focused portfolio country teams are ill-equipped to deliver at a high level on the added processes.

Moreover, country "teams" for Focused portfolios generally consist of a single person: the FPM. Focused FPMs can be responsible for as few as one and as many as eight portfolios.

The report also describes an "incoherent allocation of grant management resources within Focused portfolios." The intent of differentiation was to allocate staff and resources more in line with the size of grants in focused portfolios. But the OIG found "limited documentation" outlining a methodology for resource allocation at the grant management level. "As a result," the OIG said, "there is currently no clear correlation between the assignment of grant management resources to countries based on either allocation, number of countries, number of active grants, average value of grants or number of principal recipients." Thus, the wide range of countries-per-FPM is not necessarily informed by a strategic approach.

Agreed management action

The report includes a single agreed management action. Based on the OIG's findings, the Secretariat has agreed to conduct a review of the current approach to focused portfolios and to develop a set of options for the following:

- "Streamlining the focused countries portfolio and operations, relevant processes and procedures;
- Exploring opportunities and modalities for joint investments with development financing institutions; and
- Leveraging opportunities for investment modalities focusing on results."

The OIG report does not go into detail about the above options. But the focus on exploring and leveraging different opportunities and modalities seems to point to a concern of the OIG that some Global Fund principles, such as dual-track financing, are not appropriate for very small grants. The report described a situation in which a country has a total $2.5-million allocation, yet has two principal recipients, one each from government and civil society. In that case, and presumably others like it, fidelity to a major Global Fund operating principle — dual-track financing — limits the degree to which the management of the small grant can be engineered for efficiency. The OIG appears to encourage the Secretariat to explore flexibilities in this area and other areas like it.

The agreed management action is set to be completed by the end of 2019 and is under the supervision of Mark Edington, Head of the Grant Management Division.

The full OIG audit report on Grant Oversight in Focused Portfolios is available on the Global Fund website.

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5. NEWS: New implementation arrangements for the Global Fund's TB grants to Nigeria

Transition to the new arrangements will happen in the first six months of 2019

David Garmaise **28 January 2019**

New implementation arrangements have been put in place for the TB programs funded through Nigeria's new TB and TB/HIV grants.

Under the new arrangements, the National Tuberculosis and Leprosy Control Program (NTBLCP) in the federal Ministry of Health (MOH) will manage TB activities in public health facilities and communities as principal recipient (PR); and another PR, the Institute of Human Virology Nigeria (IHVN) — selected through an open competitive process — will manage implementation of the private sector component.

According to information on the Global Fund website, the PRs for the current TB grants are the Association for Reproductive and Family Health (ARFH), and IHVN. The current IHVN grant is not focused on the private sector. The NTBLCP, which is part of the federal MOH, is a sub-recipient under the ARFH grant.

To avoid service interruptions, the transition to the new implementation arrangements will take place over the first six months of 2019 and will be closely monitored. A number of mitigation measures have been instituted to ensure a smooth transition.

Background

When Nigeria originally submitted a joint TB/HIV funding request in June 2017, the TRP recommended an iteration. An 18-month extension for the current TB and HIV grants, from 1 January 2018 to 30 June 2019, was granted to allow services to continue while Nigeria worked on revising its request.

Following discussions in-country, Nigeria decided to restructure its funding request. The country submitted a separate TB/RSSH request in June 2018, and a separate HIV request in September 2018.

On 21 December 2018, as part of the 15th batch of funding approvals — see our coverage in GFO 348 — the Board approved two TB grants and one TB/HIV grant for Nigeria (see table) from the country's TB/RSSH request. The Board was acting on the recommendations of the Grant Approvals Committee (GAC) and the Technical Review Panel (TRP). A stand-alone RSSH grant is scheduled to be submitted for Board approval in early 2019. An HIV grant, emanating from Nigeria's HIV funding request, is also scheduled to be submitted to the Board in early 2019.

Table: Nigeria's approved TB and TB/HIV grants from its 2017–2019 allocation

Component	Name	PR	Program budget ($)
TB/HIV	NGA-C-LSMOH	Lagos State Ministry of Health	5,089,851
TB	NGA-T-IHVN	Institute of Human Virology Nigeria	29,703,883
TB	NGA-T-NTBLCP	National TB and Leprosy Control Program	36,422,481
		Total	**71,216,215**

This article provides a summary of the comments of the GAC on the TB and TB/HIV grants.

Focus areas

According to the GAC, the two TB grants and the TB/HIV grant will "contribute to the aim of ensuring universal access to high-quality, patient-centered, prevention, diagnosis and treatment services for TB, TB/HIV and DR-TB by 2020."

The grants will focus on the following priority areas:

- Expansion of TB services from 8,653 public health centers (PHCs) in 2018 to 14,670 PHCs by 2020 (an increase in coverage from 35% to 60%);
- A more aggressive focus on TB case detection, to include screening and diagnosis with GeneXpert machines; use of chest X-rays; and the introduction of mobile digital X-ray vans in Lagos;
- Intensified TB case finding among key populations;
- Increasing the proportion of TB services provided by the private sector from 2.5% in 2017 to 51.0% by 2020; and
- Maintaining treatment success rates, which are currently very strong, while TB case finding is intensified and while responsibility and accountability for TB services shifts from NGOs to the public sector.

In its report to the Board, the GAC referred to the "marked political leadership" in Nigeria "which has enabled an environment that is conducive to addressing the programmatic performance and implementation challenges and which is likely to result in greater impact."

Under one of the current grants, the NTBLCP, as sub-recipient, provided its staff with salary incentives. This practice will continue under the new grant that the NTBLCP will be managing. The grant provides for performance-based incentives to be paid to civil servant staff who are not part of the Program Management Unit (PMU) and who receive significantly lower remuneration than the staff of the PMU because they are paid at civil service rates. Performance–based incentives will also be provided to two staff at each tertiary-level facility (i.e. where comprehensive primary health care services are provided), tied to achievement against targets for TB case detection.

(The fund portfolio manager for Nigeria, Ibrahim Faria, told Aidspan that in public health centers at the village level, community health workers will be mobilized, and they will offer an integrated package of services that includes referrals, treatment follow-up and increasing awareness.)

The GAC stated that salary incentives and other short-term investments in human resources for health (HRH) should only be implemented if it can be shown that they are required to mitigate an imminent risk of service delivery disruptions. They should not crowd out more comprehensive RSSH investments, the GAC said. The Secretariat said that it agreed with this approach but added that salary incentives are crucial to the success of the Nigeria TB program and are in line with the Global Fund's current budgeting guidelines.

The GAC said that IHVN's tenure as PR for one of the TB grants was contingent on Nigeria repaying an outstanding recovery amount of $63,850 by 31 December 2018. (Aidspan has learned that the outstanding recoveries were paid on time.)

Lagos State grant

The new TB/HIV grant will be managed by the Lagos State Ministry of Health (LS-MOH). The GAC recommended an integrated grant for Lagos State. The plan is to add RSSH and HIV components to the Lagos State grant in the coming months, providing funding for these components is approved by the Board. Currently, the grant being managed by LS-MOH includes only an HIV component.

As part of its grant, LS-MOH will pilot a mobile screening initiative with three vans to be procured jointly by LS-MOH and the Global Fund. If the approach is successful, the GAC said, it will be considered for wider implementation.

Global Fund financing is contingent upon LS-MOH procuring one mobile van (using funds from its co-financing commitment) before the end of the first quarter of 2019. "Non-compliance will result in grant funds being reprogrammed," the GAC stated.

Matching funds

Nigeria was awarded $14.0 million in matching funds for the "finding TB missing cases" priority area. In the opinion of the TRP, Nigeria's initial request for the matching funds did not sufficiently explain how the proposed interventions would contribute to the goal of finding missing cases. The issue was addressed during grant-making and a revised plan was submitted which contained enough details to satisfy the TRP.

The GAC noted that Nigeria failed to meet the increase in allocation condition, one of four conditions for accessing matching funds. This condition requires that the country invest more for the given priority area in programs funded by the 2017–2019 allocation compared to programs funded by the 2014–2016 allocation. However, in light of the expected catalytic impact of the matching funds, the GAC decided to waive this condition.

Co-financing

According to the GAC, domestic financing in Nigeria remains a critical issue requiring continued attention.

The GAC said that the majority of the willingness-to-pay requirements from the 2014–2016 allocation period were expected to be met by substantive commitments by the Government of Nigeria to a recent project on integrated testing and treatment. However, the GAC said, budget execution reports are not readily available at the federal or state levels, so tracking expenditures is challenging. In the end, the government and the CCM were unable to provide satisfactory evidence that the willingness-to-pay commitments were met. As a result, in December 2017, the Global Fund reduced Nigeria's 2014–2016 allocation by $170.61 million, an amount that is greater than the entire allocation of most countries.

Regarding the co-financing requirements for 2017–2019, the GAC said that the government was expected to commit to investing the required amount. However, the GAC noted that given the fiscal and economic situation in the country, fulfilment of that commitment faces "significant constraints and challenges." As a result, the GAC said, the Secretariat proposed that certain conditions be included in the grant agreements that would enable the Global Fund to closely monitor attainment of the commitments. The Secretariat was also seeking a revised commitment letter from the federal government and a commitment letter from the State of Lagos.

Most of the information for this article was taken from Board Document GF-B40-ER2 ("Electronic Report to the Board: Report of the Secretariat's Grant Approvals Committee"), undated. This document is not available on the Global Fund website.

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6. NEWS: The Global Fund seeks the right balance between risk mitigation and grant implementation in Mali malaria grant

Because of Mali's extreme malaria burden, its grant portfolio has been designated "high impact"

David Garmaise **28 January 2019**

When it recommended a Mali malaria grant for approval recently, the Global Fund's Grant Approvals Committee (GAC) acknowledged that there are implementation challenges associated with this grant and said that it welcomed the Secretariat's plans "to identify bottlenecks, and holistically review and harmonize the controls in place with the aim of balancing risk mitigation and effective grant implementation."

The Mali malaria grant was part of a batch of grants approved by the Global Fund Board on 21 December 2018 (see article in GFO 348). The Board was acting on recommendations from the GAC and the Technical Review Panel.

The concern about balancing risk mitigation and effective grant implementation has been raised before in other grants. To use the Global Fund terminology, there is a "risk" that too heavy an emphasis on risk mitigation could impede implementation of the grant.

Mali is designated by the Global Fund as a "challenging operating environment (COE)." Armed militias in the north of the country have been fighting against the Government of Mali since 2012, seeking greater autonomy for their region. Mali's extreme malaria burden has led the Secretariat to designate Mali's grant portfolio as "high impact."

Countries are categorized as focus, core or high impact. Focus countries have smaller portfolios, lower disease burdens and lower mission risk. Core countries have larger portfolios, larger disease burdens and larger mission risks. High-impact countries have very large portfolios (usually greater than $400 million) and larger disease burdens and are considered "mission critical." Other high impact countries in West Africa include Côte d'Ivoire, Nigeria, Ghana and Burkina Faso. (Burkina Faso was recently designated "high impact" because of its extreme malaria burden.)

Mali is one of the top 10 countries worldwide with respect to its malaria burden. The grant is aligned with Mali's 2018–2020 national strategic plan for malaria. The grant aims to contribute to (a) reducing malaria-related mortality and malaria incidence by at least 50% compared to 2015; and (b) strengthening the malaria program's coordination and management capacities at all levels of the health system.

The GAC said that Mali has a strong culture of net ownership (82% of pregnant women sleep under a net), "but [that] the country is far from reaching LLIN universal coverage with only 39% of households having one LLIN for two people."

The principal recipient (PR) for the grant is Population Services International (PSI). Catholic Relief Services (CRS) and the National Malaria Control Program (NMCP) are sub-recipients (SRs). The grant aims to enable a progressive transfer of responsibility for implementation to the Ministry of Health and the NMCP. The plan is for CRS to be phased out as SR, leaving NMCP as the main SR. The Secretariat and in-country stakeholders are finalizing a technical assistance/capacity building plan to strengthen the NMCP's capacity.

The GAC said that because the security situation in Mali continues to be volatile, the country coordinating mechanism (CCM) has developed a contingency plan to ensure continuation of program implementation under several potential scenarios.

During the last grant, the GAC noted, PSI experienced some communication and coordination challenges between its headquarters in Washington and its country office in Mali. PSI Headquarters and the Global Fund Secretariat are actively addressing these issues (in Mali as well as in other countries where PSI is serving as a PR).

According to the GAC, the Office of the Inspector General (OIG) is finalizing an investigation into a grant managed by PSI in another country. The GAC said that the findings of this investigation are relevant to other grants managed by PSI.

> ***Editor's Note:*** *The OIG shared with the Board some of the findings from its investigation. In its report, the GAC said that the OIG's report was still in draft form and that it had not yet been shared with the CCM, the Audit and Finance Committee or the full Board. (Aidspan has learned that a draft report was subsequently shared with the CCM on 21 December 2018.) Aidspan will report on the findings of this investigation only once the OIG has published its final report.*

The GAC recommended that the Mali malaria grant be approved with PSI as the PR, and the Board concurred.

The GAC noted that Mali conducts a rolling LLIN campaign due to the perennial problem of funding limitations. It said that there are currently significant gaps in 2019 and 2021 relating to mass campaigns in three of Mali's seven regions (Bamako, Koulikoro and Sikasso). These gaps are addressed in proposed above-allocation initiatives which the TRP has approved for inclusion in the Registry of Unfunded Quality Demand. The TRP said that if these initiatives were prioritized for funding through portfolio optimization, this could generate significant cost savings and improvements in efficiency and coverage of Mali's campaign against malaria.

The fund portfolio manager for Mali, Sonia Florisse, informed Aidspan that in December 2018, the Secretariat recommended that additional funds be made available from portfolio optimization for mass LLIN campaigns in Mali. If the Board approves this recommendation, the funds will be added to the malaria grant.

The Government of Mali has made sufficient commitments to meet the co-financing requirement. However, the GAC said that given the political environment, there is a risk that the country may not be able to realize its commitments. The GAC emphasized the importance of Mali realizing these commitments in view of the trajectory of the malaria burden in Mali and the trend of decreasing external funding for health.

Most of the information for this article was taken from Board Document GF-B40-ER2 ("Electronic Report to the Board: Report of the Secretariat's Grant Approvals Committee"), undated. This document is not available on the Global Fund website.

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7. NEWS: Three multi-country initiatives were among grants approved by the Global Fund Board

Two grants in the EECA and one in West and Central Africa were valued collectively at $24 million

David Garmaise **28 January 2019**

Among the grants approved by the Global Fund Board on 21 December 2018 (see GFO article) were three multi-country grants. Two of the grants were for Eastern Europe and Central Asia (EECA); the third was for West and Central Africa. (See table.)

Table: Multi-country grants approved recently from the 2017–2019 allocations ($)

Applicant	Grant name	Principal recipient	Amount approved	UQD
Multicountry EECA TB	QMZ-T-PAS	PAS [2]	4,998,976	1,004,800
Multicountry EECA HIV	QMZ-H-AUA	Alliance for Public Health	13,000,000	546,003
M.C. Sup. Labs TB (WCA) [1]	QMZ-T-PNT	PNT [3]	6,045,626	0
		Total	**24,044,602**	**1,550,803**

Notes:

1. *For the supranational labs grant, which was denominated in euros, an exchange rate of 1 euro = 1.1313 dollars was used.*
2. *PAS = Center for Health Policies and Studies*
3. *PNT = Programme National de Lutte Contre la Tuberculose de la République de Benin*

The Board was acting on the recommendations of the Technical Review Panel (TRP) and the Grant Approvals Committee (GAC). This article provides summaries of the three multi-country grants and the comments made by the GAC.

Advancing People-Centered Quality TB Care — From the New Model of Care Towards Improving DR-TB Early Detection and Treatment Outcomes / EECA / QMZ-T-PAS

The GAC said that the burden of drug-resistant TB (DR-TB) in the EECA remains high and that there are currently a large number of missing TB cases and poor treatment outcomes.

The Center for Health Policies and Studies (PAS Center) is both the applicant and the principal recipient (PR) for this new multi-country TB grant. The PAS Center was also the PR for a regional TB grant in the EECA that ended on 31 December 2018. The main partners for the new grant will be the World Health Organization Regional Office for Europe, the TB Europe Coalition, TB People and the Global TB Caucus.

The new grant builds on the achievements of the previous regional grant. The goal of the new grant is to foster timely TB case detection and improved treatment outcomes in patients, with special emphasis on DR-TB in 11 countries — Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, Ukraine and Uzbekistan — through meaningful involvement of communities and civil society and integrated people-centered TB care delivery systems able to address the needs of key populations.

Program interventions are structured around two main objectives:

1. Ensure full engagement of communities and civil society in TB prevention and care with the aim of improving TB and DR-TB case detection and patient care outcomes; and
2. Strengthen health systems to enable integrated patient-centered TB and DR-TB care delivery systems for meeting challenges and addressing the needs of key populations.

The fund portfolio manager (FPM) for the TB grant, Tatyana Vinichenko, explained that the current health systems are hospital-centric and that they need to be reformed to become more people-centric. "Challenges" (see second objective) refers to the need to introduce a range of structural and financial transformations, such as changing the provider payment model so that incentives are made to address patient needs rather than filling existing beds; developing sustainable patient support at community level; and increasing the role of ambulatory and primary care, and civil society organizations.

The program targets health systems by providing support to improve the quality of health care; to strengthen people-centered approaches in TB care delivery; and to build supportive environments for universal health coverage and other key dimensions of health systems reform. The program also addresses sustainable community systems strengthening by providing support for local civil society organizations in the areas of institutional capacity building, planning, leadership, community monitoring and advocacy.

The GAC referred to the TB grant as "a critical grant for the region." It said that the grant focuses on improving outcomes; supports countries to advocate for changing the model of MDR-TB care; and facilitates the transition to new MDR-TB regimens.

Vinichenko told Aidspan that focusing on outcomes was a guiding principle of the work done during grant-making. She explained that the PAS Center, partners and the country team built a logical framework that:

- Refined the aims of the program;
- Identified gaps that prevent achieving these aims;
- Explained how the proposed activities will address these gaps;
- Identified concrete results of these activities that could be measured (with a focus on tangible national level results); and
- Demonstrated linkages between these activities and outcomes and impact.

Under the new grant, there are more civil society implementers than there were in the previous grant. The GAC said that because several civil society and community-based implementing partners will be operating as newly registered organizations, the PR will need to ensure that the new organizations have adequate capacity to deliver services.

Sustainability of HIV Services for Key Populations in Eastern Europe and Central Asia Region / QMZ-H-AUA

As the incidence of HIV infection in the EECA continues to increase, the GAC said, the HIV epidemic remains a public health issue. There is a need to scale up prevention services and expand access to treatment. At the same time, the GAC stated, given the decrease in international funding, EECA countries are also dealing with the need for a rapid transition to domestic funding.

Tatyana Vinichenko is also the FPM for the HIV grant. Vinichenko told Aidspan that the grant originated from a funding proposal submitted by a consortium composed of the Alliance for Public Health (Ukraine), the All-Ukrainian Network of People Living with HIV/AIDS, the Central Asian Association of People Living with HIV (Kazakhstan) and the Eurasian Key Populations Health Network (Poland). The Alliance for Public Health will serve as PR. The implementers will include non-governmental and governmental partners in the countries as well as regional networks.

The goals of the grant are (a) to reduce the HIV epidemic in the EECA region through accelerating progress on Fast-Track by 2020; and (b) to ensure the sustainability of HIV services for key populations in 14 countries — Belarus, Bosnia and Herzegovina, Georgia, Kazakhstan, Kyrgyzstan, Macedonia, Moldova, Montenegro, Romania, Russia, Serbia, Tajikistan, Ukraine and Uzbekistan.

The grant has three objectives, as follows:

1. Improve the financial sustainability and allocative efficiency of HIV programs;
2. Alleviate the most important human rights and gender barriers to accessing HIV prevention and care services; and
3. Improve the efficiency and affordability of HIV service delivery models for key populations.

Vinichenko said that the grant will be implemented on regional, national and municipal levels with activities at the different levels being interlinked. The municipal part will focus on the most affected populations in 12 cities that are home to 16% of people living with HIV in the EECA. The goal of the municipal activities is to improve the HIV care cascade at the municipal level as well as to attract municipal funding for key population HIV programs.

The GAC said that this grant is "highly relevant" to the HIV epidemic in the EECA and that it also presents an opportunity to provide support to community-based organizations.

The GAC noted that the grant covers multiple countries and involves several regional networks. "While this brings a benefit of strong partnerships and wide regional sharing of knowledge and experience," the GAC said, "there is a need for the PR to pro-actively monitor any potential risks and challenges of implementing a grant across many countries and applying appropriate mitigation measures, as relevant."

The EECA multi-country HIV program and the EECA multi-country TB program (see previous section) intend to collaborate closely and have already signed a memorandum of understanding.

Supranational Reference Laboratory Network in West and Central Africa / TB / QMZ-T-PNT

The GAC said that until late 2017, the countries of West and Central Africa lacked a recognized supranational reference laboratory (SNRL), so they worked with SNRLs in Europe or in Eastern and Southern Africa — which, it said, is not an optimal situation.

("Supranational" means transcending national boundaries or governments.)

The FPM for Benin, Gilles Cesari, told Aidspan that thanks to support from a Benin TB grant, massive investments in Benin's national reference laboratory (NRL) were made in 2016–2017. Subsequently, the World Health Organization (WHO) evaluated the Benin NRL and nominated it to be the first ever SNRL in West and Central Africa.

Cesari said that the multi-country grant will allow the Benin SNRL to build the capacity of existing NRLs in the region (all countries have an NRL) and to create a network (i.e. a community of sharing) among these NRLs that will promote south-south capacity building.

The capacities of the existing NRLs vary widely, Cesari said. One of the first activities of the multi-country grant is a baseline assessment of the NRLs which will lead to action plans for each NRL to build capacities.

The GAC said that the objectives of the multi-country grant include the following:

- Improve laboratory service provision for quality assured first- and second-line drug susceptibility testing and make these services available to people in need;
- Enhance the impact of diagnostic testing; and
- Build the capacity of NRLs to undertake epidemiological and national-level monitoring surveys.

In addition, the GAC said, the multi-country grant will aim to strengthen technical and administrative capacities, strengthen human resources and improve the quality and diagnostic capacity of the SNRL in Benin.

The GAC said that the laboratory network will have an important impact on TB "and beyond." As with all multi-country grants, the GAC said, "it will be important to ensure coordination and alignment between this grant and the national TB programs for the countries involved."

The GAC recommended that an outcomes-based indicator be included in the performance framework from Year 2 onwards.

Some of the information for this article was taken from Board Document GF-B40-ER2 ("Electronic Report to the Board: Report of the Secretariat's Grant Approvals Committee"), undated. This document is not available on the Global Fund website. For the two EECA grants, additional information was provided by the FPM, Tatyana Vinichenko. For the reference laboratory grant, some information was obtained from Gilles Cesari, the FPM for Benin.

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8. NEWS: Despite additional safeguard measures, performance of Chad's Global Fund HIV and TB grants are not improving

Gaps in implementation arrangements have affected quality of services provided to patients

Kataisee Richardson **28 January 2019**

In a report on its audit of Global Fund grants in the Republic of Chad, the Office of the Inspector General (OIG) said that additional safeguard measures have helped "to reduce, but not sufficiently mitigate, significant financial and programmatic risks," raising questions about the effectiveness of the technical assistance provided by the Global Fund and the flexibilities granted to Chad to implement grant programs.

Chad is a landlocked, low-income country with a gross national income (GNI) of $720 per capita in 2016. It has been categorized as a "Core" portfolio, which typically means a larger funding envelope, a higher disease burden and higher risk. HIV prevalence has fallen from 3.3% in 2010 to 1.3% in 2017, and there has been a decrease in new HIV infections. Malaria remains the most common cause of consultation, hospitalization and death, and the TB incidence rate has been stable for 10 years at 153 cases per 100,000 people.

At the time of audit, Chad had three active grants, one each for HIV, TB and malaria, with a total signed amount of € 97.2 million. Chad has been classified as a challenging operating environment (COE) due to its weak infrastructure, insufficient human resources for health, and security challenges. Since 2013, neither the HIV grant nor the TB grant have been rated above B1 (adequate), while the malaria grant has gone from being rated B2 (inadequate) in 2016 to A2 (meeting expectations) at the end of 2017. In order to minimize risk and achieve program objectives, the Global Fund invoked the Additional Safeguards Policy (ASP) back in 2009 to improve principle recipient (PR) accountability and leadership.

The OIG audit covered the period from 1 January 2016 to 31 December 2017 and included all active grants for the three diseases (see Table 1).

Table 1. Summary of Global Fund grants in Chad

Grant number	Principal recipient	Period	Signed amount (€)
TCD-H- FOSAP	FOSAP	1 January 2016 to 31 December 2018	34,575,742
TCD-M- UNDP	UNDP	1 January 2016 to 30 June 2018	57,583,180
TCD-T- FOSAP	FOSAP	1 January 2016 to 31 December 2018	4,994,743
		Total	**97,153,665**

FOSAP = Fonds de soutien aux activités en matière de population et de lutte contre le SIDA de la République du Tchad

UNDP = United Nations Development Programme

The OIG found a need for significant improvement in two areas: First, measures implemented under the Additional Safeguards Policy; and second, implementation arrangements to support sustainable attainment of grant objectives.

The audit sought to give assurances to the Global Fund Board that controls and processes related to Chad's Global Fund grants are adequate and effective. However, the audit found that initiatives such as implementing a fiscal agent, putting in place a limited cash policy, recruiting a procurement agent, and providing support for capacity building have not resulted in improvements related to the grants' performance indicators. In addition, the OIG found serious weaknesses in service quality and data stemming from the low capacity of the PR to oversee the implementation of HIV and TB grants.

Key achievements

The OIG referenced the previous audit carried out in 2010 which recommended a stronger role for the local fund agent (LFA) based on the overall conclusion that the OIG was unable to provide the Global Fund Board with reasonable assurance of the effectiveness of controls in place to manage risks. All agreed management actions (AMAs) resulting from that audit – – including those related to oversight by the fiscal agent — have been implemented. For the most recent audit, the OIG said that the LFA provided assurances that the funds are being used as intended and that the fiscal agent's assessments are informing the country team's decision-making.

In fact, the 2018 OIG audit found that country team oversight is improving, particularly as it relates to the roll out of the COE policy and the flexibilities afforded to the Chad grants. (Examples of the flexibilities include approving regular changes of activities through reprogramming and intervening when necessary to address urgent issues such emergency procurement.)

By the end of 2017, Chad's capacity to absorb Global Fund grants had significantly improved. Highlights of programmatic achievements are as follows:

- The Global Fund program successfully distributed bed nets in 13 out of 19 prioritized regions and the malaria incidence rate fell from 112.5 to 99.74 per 100,000 from 2014 to 2016;
- The TB program increased the treatment success rate from 69% in 2010 to 77% in 2017; and
- New infections and AIDS-related deaths fell by 8% and 16%, respectively, between 2010 and 2017.

Other achievements include initiatives aimed at improving future programmatic impact. To this end, the Global Fund has finalized a supply chain diagnostic in Chad which will be used to improve treatment access and service quality. Additionally, the HIV and malaria programs are piloting an initiative to train community health workers as a way to address the shortage of health personnel. Lastly, a UNDP capacity-building plan to prepare the Ministry of Health (MOH) to take on a PR role for the malaria grant is being implemented, but with delays. Originally, it was planned that the MOH would become PR for the 2018–2020 implementation period, but they are now aiming for 2021–2023.

The OIG also noted that despite many challenges, Chad's Global Fund programs have increased their capacity to absorb funds.

Key challenges

The audit found that additional safeguard measures need improvement. While initiatives such as implementing a fiscal agent and putting in place a limited-cash policy, are relevant to Chad's context, the performance indicators for the Global Fund grants are not showing improvements as a result. Although the measures under the ASP have not been reviewed holistically for their effectiveness, some individual measures have been assessed, specifically:

- The Global Fund's investment in oversight through the implementation of a fiscal agent has played an important role in mitigating the misuse of grant funds. However, despite this, external auditors and the LFA continue to find inadequate supporting documents for some payments. The most recent LFA review found ineligible expenses in the amount of € 1.9 million, signaling ineffective PR accounting and reporting processes.

- In addition, the switch from a zero-cash policy to a limited-cash policy in 2016 has resulted in delays or non-execution of key activities. The zero-cash policy enabled the PR to make direct payments to third parties without passing through sub-recipients (SRs) and sub-SRs (SSRs). It was replaced with the limited-cash policy, which requires SRs and SSRs to justify 80% of advance payments received with adequate documentation before any new disbursement takes place. The OIG found that the PR was inconsistent in its application of the policy and was not making adjustments in accordance with program priorities. This has resulted in some SSRs receiving disbursements despite their inability to justify their expenditures in advance, while other SSRs are penalized due to the underperformance of a few SSRs (even under the same SR).
- Investments in technical assistance have "failed to deliver meaningful improvements due to the lack of a clear assessment of needs, of a definition of performance indicators against which to gauge progress, and of an exit strategy or roadmap for completion of the support interventions," the OIG said.

Also, the OIG found that there are important gaps in the quality of services provided by the national disease programs. This is due to (a) weak implementation and supply-chain arrangements; (b) a persistent financial crisis that hinders the Chad's ability to meet its co-financing requirements; and (c) gaps in the PRs' oversight of grant implementation. The OIG explained that although the national programs are serving as SRs of the two PRs, FOSAP and the UNDP, the national programs have no formal authority over the MOH's regional structures in charge of providing health services.

Chad's failure to meet its co-financing requirements has led to gaps in the distribution of bed nets to prevent malaria.

Further, Chad's data collection process is still paper-based and unable to accommodate Global Fund data disaggregation requirements. In addition, both PRs lack the formal authority from the MOH to oversee the data reporting process. For example, national hospitals report data directly to the Ministry of Health and do not necessarily share data with the national program. Moreover, the data validation process is overly dependent on supervision activities which do not happen frequently enough or do not cut across all regions. The result is inaccurate and/or incomplete data which then leads to incorrect performance reporting.

Agreed management actions (AMAs)

The OIG and the Secretariat have agreed on four AMAs which the Secretariat will implement (see Table 2).

Table 2: Agreed management actions

No.	AMA	Owner
1.	The Secretariat will conduct a holistic review of the effectiveness of the measures under the ASP and implement changes to the arrangements where needed based on the findings of this review.	Head of Grant Management, Mark Edington
2.	The Secretariat will perform the following actions that relate to the work of fiscal agents: • Review the terms of reference of the fiscal agent to identify areas where the agent can be more efficient and effective, including ensuring that terms of reference prescribe key performance indicators for each agreed objective. • Develop a corporate approach on the performance management of fiscal agents and a communication protocol on the periodic performance reviews.	Chief Financial Officer, Jacques LePape
3.	The Secretariat will work with the MOH and in-country technical partners to develop a plan to improve quality of services. The plan will include elements to clarify/improve coordination between national programs and regional health structures as well as to improve community health programs.	Head of Grant Management, Mark Edington
4.	The Secretariat will request the PRs and the MOH to develop a plan to ensure adequate supervision coverage and frequency for the malaria, HIV and TB programs.	Head of Grant Management, Mark Edington

The target date for completion of the AMAs is 31 December 2019.

The OIG's audit report on Chad is available on the Global Fund website.

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9. NEWS: TRP identifies gaps in human resources for health interventions in funding requests to the Global Fund

Often, large requests for HRH initiatives were made at the expense of other essential RSSH investments, TRP says

David Garmaise **28 January 2019**

"Many funding requests do not acknowledge or address the common problem of shortage or maldistribution of human resources for health (HRH)," the Technical Review Panel (TRP) says. "Some funding requests did not mention HRH challenges nor the risks these pose to meeting service delivery targets."

The TRP made these comments in a report it released recently on RSSH investments in the 2017–2019 allocation period. The report contained a section on HRH. This article summarizes the TRP's findings with respect to HRH-related gaps in funding requests as well as the TRP's recommendations on how applicants, the Global Fund and partners can address these gaps.

(See our article on the full report in GFO 348; and our article on the section of the report on integrated service delivery elsewhere in this issue.)

For its report, the TRP analyzed 50 funding requests from Windows 1–5.

The TRP noted that an estimated 80% of HRH investments went towards salaries and other remuneration.

Some HRH requests were not aligned with Global Fund HRH guidance and did not demonstrate value for money, the TRP observed. Often, large requests for HRH investments were made at the expense of other essential RSSH investments.

Incentive schemes for government workers are often inconsistent within countries, the TRP noted. In addition, it said, there is no standard salary scale among donors for community health workers (CHWs).

The TRP said that requests for HRH and CHW expansion are not often supported by findings from an HRH needs assessment or strategy, showing how expansion fits within the overall national HRH gap analysis or strategy. "It was challenging … to assess strategic focus and technical soundness in funding requests that were not based on [a] quantitative or qualitative HRH gaps analysis," the TRP stated.

The TRP noted a continued reliance on expensive traditional training methods — i.e. classroom-based trainings and workshops — as opposed to e-technology, which, it said, is more efficient. As well, the TRP said, there is a greater reliance on in-service training as opposed to pre-service training, "which is an inefficient use of resources and results in the absence of staff from health care facilities during the training."

The TRP said there was no evidence in the funding requests that countries facing HRH shortages will develop multi-skilled workers or multi-disciplinary teams able to provide comprehensive services. There were few examples in funding requests of the use of task shifting and other HRH efficiency enhancing measures, the TRP stated. As an illustration of the problem, it said, one funding request called for the use of nurses and doctors to do TB contact tracing, rather than relying on people in the community for this function.

There a common tendency for funding requests to propose a rapid expansion of the use of CHWs, the TRP stated, without including an appropriate budget and without referencing all of the supporting systems required to ensure the effectiveness, sustainability and value for money of deploying CHWs.

The TRP said that "a positive example of CHW extension is Ethiopia's health extension worker (HEW) model, which integrates community health workers into the primary health

care system, promotes regular interaction with clinics and allows for a career path for the community health worker."

The TRP noted that it was uncommon to see initiatives in funding requests to transition CHW and health staff from Global Fund support to domestic funding. "While CHWs are very important for service delivery, countries still need a vision and strategy for HRH development and gradual absorption of CHWs into the formal health service," the TRP commented.

Finally, the TRP observed, most funding requests do not explicitly address gender issues arising in the selection, deployment and support of the health workforce — issues such as gender-power relationships and dynamics between health providers and clients, and within the health workforce itself, which may undermine coverage and quality of care.

TRP recommendations

- The Secretariat should revise its HRH Framework to require countries to consider HRH investments in relation to the 4S development continuum. (See the description of the 4S model in a separate GFO article on the full TRP report.)
- Applicants should request funding for an HRH needs assessment and the development of a "human resources for health" plan (or refer to these documents in the funding request if they already exist). The human resources for health plan should describe interventions to fill gaps in the health workforce; strategies to ensure the retention of health workers; and policies on community health volunteers.
- Applicants should conduct evaluations such as service availability and readiness assessments (SARA) or workload indicator of staffing needs (WISN) to assess the existing workload and the country's ability to absorb additional functions as a consequence of integration of services.
- Applicants should base their funding requests on strategic HRH activities in the national HRH plan or equivalent. Applicants should clarify how government funding and other donors are addressing critical HRH challenges.
- Where the Global Fund is investing in salaries, a clear plan for transitioning that support to national budgets should be included in the funding request along with a documented commitment of the national government.
- Applicants should pay more attention in their funding requests to HRH quality and the efficient use of the existing workforce. Training requests should prioritize improving pre-service training and increased use of e-technology.
- Countries and donor partners should adopt a common HRH compensation framework to avoid significant differences in remuneration between government and non-government service providers for the same work.
- Applicants should prioritize investments to improve the effectiveness and sustainability of CHWs. CHWs should be supported over the long term, preferably through absorption into the formal health system. Early takeover of recurring costs by government is essential even if it means doing so incrementally over time.

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10. NEWS: Funding requests to the Global Fund need a stronger focus on integrated service delivery, TRP says

"TB and HIV disease programs still tend to operate through vertically implemented activities"

David Garmaise **28 January 2019**

According to the Technical Review Panel (TRP), integration, both across the three diseases as well as more broadly to other health services such as RMNCAH (reproductive, maternal, newborn, child and adolescent health) — a priority articulated in the Global Fund Strategy 2017–2022 — is lacking in funding requests. "While there are some efforts at integration in areas where there has been considerable global attention, such as in TB/HIV, TB and HIV disease programs still tend to operate through vertically implemented activities," the TRP stated.

The TRP made these comments in a report it released recently on RSSH investments in the 2017–2019 allocation period. The report contained a section on integrated service delivery (ISD). This article summarizes the TRP's findings with respect to ISD-related gaps in funding requests as well as the TRP's recommendations on how applicants, the Global Fund and partners can address these gaps.

(See our article on the full report in GFO 348; and our article on the section of the report on human resources for health elsewhere in this issue.)

For its report, the TRP analyzed 50 funding requests from Windows 1–5.

The TRP said that the ISD modules included in the funding requests it sampled generally represented about 15% of the country's total RSSH request. However, proposed interventions were generally poorly defined, the TRP noted. Applicants tend to view the ISD module as a "catch-all" in which they include interventions that have no relevance to integration. For example, the TRP said, interventions such as "lab investments" and "service delivery infrastructure" are placed within the ISD module, even though the proposed interventions don't contribute towards integration of systems.

TB/HIV integration continues to pose problems, the TRP observed. When funding requests included activities to strengthen integration, the focus was often limited to a few activities. Only 3% of the budgets in the TB, HIV and TB/HIV requests sampled by the TRP included specific investments for TB/HIV integration. Nevertheless, the TRP stated, there were a number of examples showing increasing attention to important areas of integrated TB/HIV service delivery — for example, TB screening in HIV clinics and HIV testing in TB clinics, as well as attention to key populations such as prisoners.

One positive example of integration, the TRP said, was a funding request that included several innovative TB interventions to maximize impact, such as incorporation of TB services into maternal child health care; TB collaboration with non-communicable diseases; and programs for migrants and childhood TB.

The TRP said that although the funding requests included initiatives related to RMNCAH — such as expanding prevention of mother to child transmission (PMTCT) programs — the requests did not "systematically include outcomes beyond the target disease or maximize the opportunities the RMNCAH platform offers."

While there were some funding requests that promoted iCCM (integrated community case management), and IMCI (integrated management of childhood illness), the TRP said, the requests generally supported pilot phases; interventions were rarely brought to scale.

There is a lack of appropriate indicators to track activities related to integration, the TRP stated. In the RSSH modular framework, there are two coverage indicators for integration of service delivery — (a) number of health facilities per 100,000 population; and (b) number of outpatient visits per person per year. Neither one is reflective of integration, the TRP said; in addition, there are few outcome indicators tied to improvements in RMNCAH.

In general, the TRP remarked, the funding requests it sampled did not aim to improve integration with general health services beyond the three diseases.

How the Global Fund channels financing and the guidance it gives to applicants may also create barriers to integration of health systems, the TRP observed. For example, it said, in Window 5, the Global Fund's request for proposals for multi-country TB interventions among refugees in Eastern Africa did not encourage applicants to program TB services as an integral part of the package of basic health services provided to refugees in camps.

In addition, although the Global Fund is supportive of integrating health systems, it predominantly tracks investment outcomes by disease program, the TRP noted. Most donors follow a similar approach. "This approach is in conflict with the objective of moving towards universal health coverage," the TRP stated.

The TRP noted the following additional integration issues:

- Although integration of TB, malaria and HIV diseases surveillance into DHIS2 is progressing, parallel disease-specific data systems and surveys still exist.
- There are still incentive and remuneration schemes specific to projects and diseases.
- Integration of community systems and responses is lacking.
- Commodities continue to be procured by single-disease programs.

TRP recommendations

- The Global Fund and applicants should view integration as a way of designing and investing in activities, and not as a discrete module in the Modular Framework. Applicants should explain how integration is supported in each of the RSSH interventions for which they are requesting funding.
- Partners should improve guidance and support to applicants on how RSSH requests can be better tailored to strengthen integration.
- The Secretariat should revise the RSSH Modular Framework to include more sensitive and relevant indicators for tracking progress on integration.
- Countries should move towards an integrated procurement and supply management system which relies on (and responds to) health facility "pull" rather than "push," with frontline drugs integrated into a national procurement system.
- The Global Fund should promote integration more aggressively — e.g. improve integration of PMTCT into maternal, newborn and child health services; strengthen mobilization of communities to increase the utilization of antenatal care services; strengthen integration of malaria-in-pregnancy interventions into RMNCAH programs; and integrate sexual and reproductive health services more comprehensively in HIV testing programs.

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