



Independent observer  
of the Global Fund

# OIG Audit of Global Fund Grants in the Philippines

## Background

Since 2003, the Global Fund has disbursed \$655 million to the Philippines, of which \$142 million and \$159 million were for the 2018-2020 and 2021-2023 funding cycles, respectively.

## Key Findings

1. The adequacy and effectiveness of Global Fund support, including grant flexibilities and COVID-19 Response Mechanism (C19RM) funds to address COVID-19 challenges in maintaining or scaling up program achievements, are rated as partially effective.
2. The adequacy and effectiveness of grant design to ensure efficient and sustainable achievement of programmatic impact are rated as partially effective.
3. The Philippines will become ineligible for malaria grant funding in the 2023-2025 grant cycle and for all financing by 2028 but the country has yet to prepare a comprehensive transition plan.

## Key Achievements and Good Practice

1. Grant flexibilities for C19RM funds were provided in a timely manner and, with 99% and 89% absorption rates respectively, were utilized effectively.
2. Malaria and TB programs alleviated the negative impact of COVID-19.
3. There was increased Government investment across the three diseases:
  1. HIV increased by 260% between 2018 and 2020 with an additional 50% increase committed for

2021-2023;

2. Malaria increased progressively, covering 52% of malaria funding needs during 2018-2020; and
3. See Commentary below.

### Key issues and risks

1. Improvements are needed to ensure that HIV program gains are not eroded by the COVID-19 pandemic.
2. There is a need for improved TB and multidrug-resistant TB (MDR-TB) case finding and management of treatment outcomes.
3. The linkage between HIV treatment and the monitoring of treatment outcomes needs improvement.
4. Transition arrangements for the Malaria Program could be improved to ensure the sustainability of key interventions.

### The three diseases

HIV: (i) Annual infections have increased by 203% since 2010, with 16,000 new infections in 2020; (ii) AIDS-related deaths increased from 1,000 in 2010 to 1,600 in 2019; and (iii) there are 97,000 people living with HIV (PLHIV), of whom 68% know their status. Among identified PLHIV, 61% were on treatment but only 17% had achieved viral load suppression in 2020.

TB: (i) The Philippines is one of eight countries accounting for two-thirds of the global TB burden (2019 data), with 6% of all TB cases worldwide; (ii) there has been no significant change in estimated TB incidence over the last decade; (iii) there was a 24% increase in TB case notification from 328,773 in 2017 to 403,757 in 2019. 62% of the estimated 599,000 TB cases were notified in 2019; (iv) the TB treatment success rate was 83% for new cases in 2018, down from 91% in 2010; (v) in 2019, only 6,169 of the estimated 21,000 MDR-TB cases were put onto treatment. It is estimated that 65% of MDR/RR-TB cases are missing; (vi) and 32% and 65% of patients with drug-sensitive TB and MDR-TB respectively remained untraced.

Malaria: (i) The malaria burden has significantly decreased from a peak of 50,850 reported cases in 2004 to less than 6,000 cases in 2019; (ii) over 2.8 million insecticide-treated nets were distributed between 2016 and 2020 and (iii) the incidence rate declined to 0.2/100,000 people at risk in 2018 from 3.5/100,000 in 2004. As of 2020, only two of the 81 provinces of the country had reported local transmission of malaria.

### Findings and Agreed Management Actions

1. The HIV program has been heavily impacted by COVID-19. A comprehensive plan is needed to ensure HIV program gains are not eroded as a result of the pandemic. The OIG agreed not to issue an agreed management action (AMA) for this finding because, since the OIG audit fieldwork in June 2021, the country had developed an HIV adaptive plan in August 2021.
2. Stronger TB and MDR-TB management is required to improve notification and treatment. The AMAs are the following: (i) the Secretariat will support the Principal Recipient (PR), the National TB Program (NTP), and technical partners (deemed necessary by the NTP), to develop an Optimization Plan for rapid molecular diagnostic tools to strengthen systems for monitoring GeneXpert utilization data; and (ii) The Secretariat will support the NTP and technical partners (deemed necessary by the NTP), to develop a plan to improve data analysis, use and planning to increase case finding at the regional, provincial and local government unit levels.
3. There is a need for a better linkage between HIV treatment and monitoring of treatment outcomes.

The AMA is: The Secretariat will support the PR and the National AIDS, STI Prevention and Control Program (NASPCP), in coordination with the Joint United Nations Programme for HIV/AIDS (UNAIDS), the World Health Organization (WHO), and other technical partners (as deemed necessary by NASPCP) to review the roles and responsibilities of HIV Case Managers to ensure effective linkage of HIV+ patients from testing to enrolment on treatment. To address gaps in the linkage between the First and Second 90, the Secretariat will work with the PR, NASPCP, UNAIDS, WHO, and other technical partners to develop a scale-up plan for the Rapid HIV Diagnostic Algorithm.

4. Transition arrangements for the Malaria Program could be improved to ensure the sustainability of key interventions. The AMA states: The Secretariat will support the PR for the malaria grant, the Department of Health (DOH), other relevant Government departments, and WHO (as deemed necessary by the DOH) to develop the National Malaria Strategy/Roadmap with a written plan to guide the transition of malaria activities out of Global Fund financing.

## Commentary

### New HIV infections

It is difficult to understand how, in the first paragraph of the Executive Summary Opinion, the OIG rated HIV as a 'more modest success' when new infections increased by 214% from 2010 to 2018 and deaths increased by 220% between 2010 and 2019. Then, in the third paragraph HIV is said to be 'generally achieving targets.' Most observers, given the data in the report and the need to replace the PR in 2020, would have described the HIV performance as disappointing; some might say it was well below expectation.

In response to the observation above, the OIG has commented: The Global Fund grant is for a non-government organization (NGO) PR to reach key populations (KPs) mainly by focusing on outreach and linking KPs to treatment. Investments are not for treatment and monitoring treatment outcomes (e.g., viral load) as this is under the responsibilities of the Ministry of Health using government funding. This is different from the majority of grants, where the Global Fund also provides support for treatment areas.

Fair comment: but it would be good to have included this in the actual report itself.

### Increased government investment

The third Key Achievement is that "there was increased Government investment across the three diseases". It does not state by how much investment in malaria occurred – it is simply referred to as a 'progressive' increase – and there is no increase mentioned for TB. It would have been a lot clearer if the OIG had included a breakdown – by disease and by year – of the funding sources. Also, the report states that in 2021-2023, 79% of TB funding needs are anticipated to be financed through domestic resources. That is looking forward; it is not an audit of what actually occurred. So, the increase in Government investments looks to have been at best in two – but not three – of the diseases. This has been clarified – see below – but it is not clear in the audit report.

The OIG comment to this is: The increase in government funding is not only happening for HIV and malaria but also for TB. Funding for TB increased from \$86 million (for allocation years 2015-2017), to \$145 million (for years 2018 – 2020) and \$387 million (for 2021-2023). In addition, the Government funds 100% of First-Line Drugs and has begun funding Second Line Drugs, including GeneXpert cartridges.

