Aidspan
Independent observer of the Global Fund

Global Fund Board approves another $98 million in country grants from the 2017–2019 allocations

On 12 November 2018, through electronic voting, the Global Fund Board approved $98.0 million in funding for 14 country grants from 13 countries. Of the 14 grants, four were for TB; three TB/HIV; three HIV; three malaria; and one TB/RSSH.

By Aidspan's count, this was the 14th batch of approvals from the The Board was acting on the recommendations of the Technical Review Panel (TRP) and the Grant Approvals Committee (GAC). Interventions totaling $3.5 million were added to the Unfunded Quality Demand (UQD) Register. Domestic commitments to the programs represented by the approved grants amounted to $714.4 million. (See Table 1.)

Table 1: Country grants approved from the 2017–2019 allocations (Batch 14)

Applicant	Com-ponent	Grant name	Principal recipient	Amount approved ($)	UQD ($)	Domestic commitment($)
Belarus	TB/HIV	BLR-C-RSPCMT	RSPCMT	15,840,452	N/A	263,600,000
Belize	TB/HIV	BLZ-C-UNDP	UNDP	1,916,278	590,000	6,870,590
Bolivia	HIV	BOL-H-HIVOS	HIVOS	9,175,449	155,808	44,593,562
	Malaria	BOL-M-UNDP	UNDP	3,807,860	709,743	8,858,017
Botswana	Malaria	BWA-M-BMOH	Ministry of Health	1,278,500	N/A	40,943,791
El Salvador	HIV	SLV-H-MOH	Ministry of Health	27,481,816	N/A	147,041,223

Guatemala	Malaria	GTM-M-MSPAS	INCAP	5,582,629	N/A	18,228,483
Guyana	TB	GUY-T-MOH	Ministry of Health	499,495	N/A	1,704,237
Montenegro	HIV	MNE-H-MOH	Ministry of Health	630,565	459,673	441,558
Nicaragua	TB	NIC-T-INSS	INSS	4,129,716	N/A	18,507,146
Niger		NER-T-MSP	Ministry of Health	19,414,760	N/A	4,753,221
Panama		PAN-C-UNDP	UNDP	2,265,891	376,500	138,959,775
Paraguay	TB	PRY-T-AV	Altervida	2,915,321	1,228,274	14,469,910
Sri Lanka	TB	LKA-T-MOH	Ministry of Health	3,024,073	N/A	5,430,890
Totals				97,962,805	3,519,998	714,402,403

Notes:

1. RSPCMT = “Republican Scientific and Practical Center for Medical Technologies, Informatization, Administration and Management of Health.”
2. INSS = Instituto Nicaragüense de Seguridad Social
3. The links in Column 3 are to the individual grant pages on the Global Fund’s website. Where no link is shown, it is because a new grant, often with a new principal recipient, is being established and the grant page has not been set up yet.
4. Amounts approved shown represent upper ceilings.
5. The domestic commitments shown are for the disease programs and exclude RSSH.
6. For grants denominated in euros (Montenegro HIV and Niger TB/RSSH), a conversion rate of 1 euro = 1.1322 US dollars was used.

The Board also approved $12.5 million in funding from the 2017–2019 allocations for two multi-country grants. Interventions from these grants totaling $4.4 million were added to the UQD Register (see Table 2).

Table 2: Multi-country grants approved from the 2017–2019 allocations (Batch 14)

Applicant	Grant name	Principal recipient	Amount approved ($)	UQD ($)
HIV MENA IHAA	QMZ-H-IHAA	IHAA	7,499,577	903,390
TB Asia UNDP	QMZ-T-UNDP	UNDP	5,000,000	3,525,000
Totals			12,499,577	4,428,390

Note: IHAA = International HIV/AIDS Alliance

Finally, the Board approved additional funding of $13.6 million for a Rwanda malaria grant to fund interventions from the UQD Register (see Table 3). The funds for this award come from a portfolio optimization exercise that was carried out for the 2017–2019 allocation cycle. In October 2018, the Board approved funding for the first two sets of interventions from the UQD Register (see GFO article).

Table 3: Additional UQD interventions for 2017–2019 funded using portfolio optimization

Applicant	Comp.	Grant name	Principal recipient	Amount approved ($)	Revised program budget ($)
Rwanda	Malaria	RWA-M-MOH	Ministry of Health	13,626,690	55,086,045

The GAC report did not say precisely which interventions for Rwanda malaria on the UQD register were being funded. On the version of the register dated 26 October 2018, there are five interventions shown for Rwanda malaria, totaling almost $19.4 million. The largest intervention, at $19.0 million, is for indoor residual spraying (IRS). It appears, therefore, that most, if not all, of the $13.6 million awarded through portfolio optimization was for IRS programming.

As is customary, the approved funding is subject to availability of funding and will be committed in annual tranches.

The process of awarding funding from the 2017–2019 allocations is slowly starting to wind down. With respect to funding requests, Lindsay Smith, spokesperson for Access to Funding at the Secretariat, told Aidspan that at the end of Window 6, there were nine requests yet to be submitted. One has already been remotely reviewed and another was scheduled to be reviewed before the end of November. That leaves seven funding requests to be reviewed in 2019.

Smith estimated that the total number of grants for this allocation cycle will be about 350. About 250 grants have already been approved and the GAC is expected to recommend another 20 grants in the next two months. Smith said that there is still about $1.0 billion worth of grants in grant-making.

In the balance of this article, we provide information on some of the country grants that were approved on 12 November.

GAC comments on individual country funding requests

The GAC provided comments on selected grants. In this article, we summarize the GAC's comments for Montenegro HIV and Niger TB/RSSH. In another article in this issue, we summarize the GAC's comments for Belize TB/HIV, El Salvador HIV, Panama TB/HIV, and Paraguay TB.

(The GAC did not provide comments on the two multi-country funding requests.)

Montenegro HIV

Montenegro's last HIV grant dated from Round 9 and ended in June 2015. This component has become eligible again due to high prevalence rates among men who have sex with men (MSM), recently estimated at 12.5%.

According to the GAC, when the Round 9 grant ended, responsibility for HIV treatment and prevention services was transferred to the government. Some services were scaled up. The fund portfolio manager for Montenegro, Gyongyver Jakab, told Aidspan that the number of patients on opioid substitution therapy (OST) doubled, thereby allowing Montenegro to eliminate its OST waiting list.

However, Jakab said, government funding for services to key populations did not materialize until 2017, which led to service gaps in 2015 and 2016.

Given these gaps, Montenegro's 2017–2019 allocation letter said that the country's funding request "should be focused on prevention, care and support activities for key affected populations" and that the allocation is dependent on the development of a social contracting mechanism through which the government and the Global Fund will finance HIV prevention, care and support activities.

Jakab told Aidspan that with support from the Global Fund, Open Society Foundation (OSF) and the UNDP, Montenegro completed the development of selection and contracting procedures and launched its

first open call for proposals for NGOs in January 2018. “With this development,” Jakab said. “Montenegro became one of the first transition countries to allocate government financing to key population services and to disburse it through a national NGO contracting mechanism.”

In its report to the Board, the GAC said the new grant is designed to maximize the investments from Global Fund financing and will focus on three areas (as they relate to services for key populations):

- Maximizing the additionality of Global Fund financing;
- Aligning to national systems and processes; and
- Shifting to a service-provider approach.

Below, we look at each of these areas in turn.

Additionality. Even though Montenegro’s allocation is limited, using a basic package of prevention services the country is aiming to reach 43% of MSM, 63% of female sex workers and 75% of people who inject drugs. In addition, Montenegro expects to administer an HIV test for 80% of the clients it reaches with preventive services. “This maximum use of a limited investment is possible because 100% of grant funds will be directed towards service delivery, with minimum management and operational costs,” the GAC said.

National systems and processes. Funds for services to key populations from the grant and from the government will be jointly distributed through the new NGO contracting mechanism and will be managed by the National AIDS Program, without parallel procedures or structures required [GFO’s emphasis].

Service-provider approach. Montenegro has decided to shift away from input-based budgeting towards basing the resource distribution of the national response on the unit costs per client reached. According to the GAC, this approach has several benefits. First, it enables Montenegro to better link resources to targets and to focus on results. Second, it allows the country to transition from grant-based support towards procuring health services delivered by NGOs. Finally, it allows for simplified reporting to the Global Fund.

Jakab provided Aidspan with the following additional information on this unit-cost approach:

“The unit cost takes into account the average cost of the packages delivered to each client, the average amount of time each client spends with medical and outreach workers on each contact, as well as the operational and project management costs. Although the unit cost is based on averages, it was designed to differentiate between the different service delivery models (e.g. mobile units vs drop-in-centers), as well as the different types of needs of the clients. This approach aims to establish a closer link between targets and funding, to focus on results, and to identify efficiencies, particularly in the area of administrative and project management costs.”

The GAC said that Montenegro HIV is a good example of how grants receiving limited funding can be designed to achieve maximum impact. It added that lessons drawn from this grant could also be applicable to other grants receiving a final allocation or planning to transition away from Global Fund financing.

Despite this statement, the grant to Montenegro is not a transition grant. Jakab told Aidspan that since Montenegro HIV is expected to remain eligible for Global Fund support because of the high prevalence among MSM, Montenegro chose to submit a national strategy pilot (NSP) funding request instead of a transition request. However, Jakab said, because of the service gaps, the grant focuses exclusively on services to key populations (and not on other parts of the NSP).

Niger TB/RSSH

The Niger TB/RSSH grant has three goals: (1) reduce the TB incidence rate per 100,000 from 92 in 2016 to 78 in 2021; (b) reduce the TB mortality rate per 100,000 from 20 in 2016 to 15 in 2021; and (3) strengthen the demand and offer of quality health services.

To meet its co-financing commitments, the government needs to invest an additional €5.6 million in 2018–2020. Niger's government has in fact committed to investing several times that amount (€29.6 million).

However, the GAC said that Niger's multifaceted humanitarian crisis (the humanitarian information source ReliefWeb said that Niger continues to grapple with insecurity, climatic shocks, extreme poverty and lack of basic services and infrastructure) has constrained the government's capacity to mobilize internal resources and has undermined budget execution in 2015 and 2016. "Despite the positive economic outlook, as the humanitarian crisis continues, it is anticipated that resources will be stretched and that the sustainability of health financing and the government commitment to co-financing will face significant constraints," the GAC said.

Consequently, the Secretariat will work with the government to put in place mitigation measures regarding the co-financing commitment.

The GAC noted that although the PRs for the TB/RSSH grant have always been international NGOs, the new grant will be implemented by the Ministry of Health. While this represents an opportunity to foster leadership, ownership and accountability, the GAC said, "it might also present some risks, including weaker financial management capacity and a potential slower launch of grant activities."

The GAC called for robust mitigation measures to be maintained to prevent mismanagement and misuse of funds, including the use of a fiscal agent who is already supporting the other grants in Niger In addition to supporting PRs and SRs in strengthening financial controls (by ensuring the integrity of financial documents in their offices, for example), the fiscal agent will also support capacity building on program planning, management and monitoring.

Technical partners on the GAC noted challenges around the supply chain which were highlighted in the 3 September 2018 audit report of Niger's grants by the Office of the Inspector General. (See GFO article on the audit.) Technical assistance was put in place to support activities in this sector and will be maintained, the GAC said.

Extensions approved

The GAC said that to prevent program disruptions during grant-making, six-month extensions were granted for four grants: Armenia HIV (two grants), Guatemala malaria, and Elimination 8 (a multi-country malaria initiative). In all cases except Guatemala malaria, some additional funding was awarded. This funding was taken from the 2017–2019 allocations for the applicants involved.

In GFO 325, Aidspan reported on the 12th and 13th batches of grant approvals. That same article listed the grants approved in the 10th and 11th batches. Aidspan reported on the ninth batch of grant approvals here. That article contains links to the GFO articles on the first eight batches.

Most of the information for this article was taken from Board Document GF-B39-ER16 (“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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