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Independent observer of the Global Fund

UGANDA CCM AND THE GLOBAL FUND AT ODDS OVER FUNDING REQUEST

On 20 March 2017, the deadline for applications in Window 1 of the current funding cycle, the Uganda country coordinating mechanism (CCM) submitted a funding request containing three components: TB/HIV, malaria and RSSH (resilient and sustainable systems for health). The CCM also submitted a proposed program split for its 2017-2019 allocation.

The Global Fund Secretariat turned down the proposed program split. In so doing, the Secretariat effectively told Uganda that it could not use a portion of its allocation for a stand-alone RSSH component. The CCM was unhappy with the position taken by the Secretariat.

In this article, we take an in-depth look at what happened.

The story starts with the announcement in December 2016 that Uganda was allocated $465 million for 2017-2019. In the allocation letter that it sent to the Uganda CCM, the Secretariat said that the $465 million was “for HIV, TB, malaria and building resilient and sustainable systems for health.” In the letter, the Fund provided the following indicative program split:

HIV – $255.6 million
TB – $21.1 million
Malaria – $188.3 million

Total – $465.0 million

The indicative program split did not specify any amount for RSSH. This was not unusual; this is how it

works in all countries. While the Global Fund encourages investment in RSSH that will improve treatment and prevention for HIV, TB or malaria, it does not specify a separate amount for RSSH in the indicative program splits. Instead, the Fund encourages countries to use some of the funds shown for HIV, TB and malaria in the indicative program split if they want to finance RSSH activities.

In its allocation letter, the Global Fund said that it "strongly encouraged" a joint application including two or more disease components and RSSH investments. It added, "Should you decide to submit separate disease component applications, we request that all cross-cutting RSSH interventions [be] included in one funding request, ideally the first one…. The funding designated to cross-cutting RSSH interventions does not need to be documented in the program split unless a stand-alone RSSH funding request is planned."

The allocation letter said, "As part of the principle of country ownership, it is up to the CCM to assess the best use of funds across eligible disease components…. Applicants can either accept the Global Fund program split between components or propose a revised split, which will be reviewed by the Global Fund."

The Uganda CCM proposed a revised program split that included $21.3 million for a stand-alone RSSH component. To arrive at this amount, the CCM proposed to reduce the TB portion of its indicative program split by $1.3 million and the malaria portion by $20.0 million. This produced the following proposed program split:

HIV – $255.6 million
TB – $19.8 million
Malaria – $168.3 million
RSSH – $21.3 million

Total – $465.0 million

Stand-alone RSSH component

There are currently two principal recipients (PRs) for Uganda's HIV, TB, malaria and HSS grants: the Ministry of Finance, Planning and Economic Development (MoFPED) and the AIDS Support Organization (TASO). The CCM secretariat told Aidspan that the CCM proposed adding a third PR to manage the HIV, TB and malaria grants and proposed RSSH initiatives.

According to the CCM, the RSSH component of its funding request contained six modules and related interventions (see Table 1 for details).

Table 1: Modules and interventions included in Uganda's RSSH funding request

Module	Interventions
Strengthen financial management and oversight	Strengthening the audit function for Global Fund grants in the Office of the Auditor General.
	Strengthening internal audit and oversight processes for Global Fund grants in the project management unit of MoFPED.
	Supporting an annual physical verification of assets procured through the Global Fund.
Strengthen in-country procurement and supply chain systems	Expanding storage capacity at the national medical stores and at a regional JMS warehouse.
	Strengthening the logistics management information systems at health facilities.
Strengthen data systems	Strengthening the capacity of health management information systems (HMIS) to include data for HIV, TB and malaria indicators, and analyzing and using the data.

Expanding, integrating and harmonizing logistic management information systems (LMIS), electronic medical records and the Human Resource Information System with HMIS.	
Improving routine HMIS data collection, reporting, analysis and use.	
Conducting assessments of health facilities.	
Strengthen and align to national strategic plans	Building the capacity of the Ministry of Health (MOH) to do modelling for HIV, TB and malaria programming.
	Supporting oversight and monitoring meetings of civil society organizations' and PLWHIV groups' SCEs (self-coordinating entities).
	Strengthening the capacity for integrated regional performance monitoring and supporting supervision of HIV, TB and malaria activities.
	Supporting (a) integrated regional HIV/TB, malaria and sector review meetings; (b) MOH supervision visits to districts and 14 regional referral hospitals; and (c) quarterly supervision and mentoring to health facilities by performance monitoring teams.
Community responses and systems	Strengthening and scaling up community-based mechanisms for ongoing monitoring of health policies, performance and quality of service.
	Strengthening community-led advocacy initiatives and developing leadership skills, supporting participation in community, national and international events, and engaging "duty-bearers" for practice and policy reform in HIV, TB, malaria, sexual and gender-based violence, and human rights in 25 districts.
	Strengthening coordination between district disease-specific networks to address bottlenecks related to access, care and retention in HIV, TB, malaria and reproductive, maternal and child health services.
	Supporting mobilization and institutional capacity building for networks of people living with the diseases and other vulnerable groups.
Program management	Grant management.
	PR2 administrative costs for RSSH, HIV/TB and malaria grants.

Rejection of proposed program split

In an email sent to Vinand Nantulya, the chair of the CCM, on 23 March 2017, the fund portfolio manager for Uganda, Dumitru Laticevschi, said, "In the situation when vital TB and Malaria commodities remain un-budgeted, we do not accept (a) the reduction of the TB allocation by US$1,266,115; (b) of the malaria allocation – by US$20,000,000 and (c) the creation of a stand-alone RSSH allocation of US$21,266,115, mainly covering higher-risk activities."

In a separate letter the same day, Laticevschi elaborated on the Fund's reasons for rejecting the proposed revised program split. "Our review indicates that mission-critical interventions remain unfunded," Laticevschi said. "LLINs [long-lasting insecticide-treated bed nets] are budgeted at 52% of the need; GeneXpert at 40%."

Laticevschi said that the $21.3 million that the CCM proposed for the stand-alone RSSH component would

fund interventions “which either belong to the disease allocations, or are outside the immediate focus of the portfolio.”

“The RHSS funding request includes alarmingly large budgets for high-risk activities, without evident links to the desired systemic and disease outcomes,” Laticevschi said. “The high administrative costs ($3M), HR ($2.25M) and travel-related costs ($6.7 million) cannot be justified. The value of communications materials (budgeted at $1.88 million) is questionable, and we do not support the dilution of the Global Fund’s focus by the proposed expansion into the private pharmaceutical sector ($1.18M).”

Laticevschi said that “on the basis of the inefficient allocation, we have rejected the proposed disease split [sic]. To enable the progression to the TRP review, we request that before the 31st March 2017, the program split is reversed to the one communicated by the Global Fund on 15 December 2016.” Laticevschi added: “We discourage the stand-alone design of systems strengthening grants.”

Reaction of the CCM secretariat

In an email to CCM members dated 23 March 2017, the CCM secretariat said that with Uganda’s standalone cross-cutting RSSH grant being scrapped, the country was left with a huge gap in funding to cover the PRs’ grant management costs as well as administrative and human resources costs for the cross-cutting interventions, coordination and oversight components.

The CCM secretariat described additional repercussions of not approving a program split that contained funds for a stand-alone RSSH component: “The Global Fund will not invest in strengthening Uganda’s Procurement and Supply Chain Management systems, specifically – strengthening the country’s warehousing and storage capacity.”

The CCM secretariat explained that Uganda’s health system comprises both the public sector and the private sector (which includes the not-for-profit and private for-profit sectors). In the RSSH funding request, $1.2 million had been allocated to strengthening supply chain infrastructure – specifically for the design, construction, installation, equipping and commissioning of a new warehouse for JMS (Joint Medical Stores), which is a private, not-for-profit warehouse.

The CCM secretariat said that the non-public sector PR, TASO, currently stores and distributes all the health and pharmaceutical products it procures with Global Fund grants through JMS warehouses. Despite JMS being a private sector warehouse, it handles, stores and distributes Global Fund-supported commodities procured by TASO and distributes these to various health facilities including not-for-profit (faith-based) health care facilities and hospitals where a significant proportion of Ugandans access healthcare services.

In addition, the CCM secretariat said, in the RSSH funding request, $5.7 million had been allocated to the completion of the national medical stores (NMS) new warehouse. “Scrapping the standalone cross-cutting RSSH grant will mean that the Global Fund will not invest any more funds in strengthening and expanding the country’s current warehousing, storage and distribution capacity.”

Yet, the CCM secretariat said, Uganda’s Global Fund grants are heavily commoditized, with significant funding already allocated to, or invested in, the procurement of essential medicines, health care and pharmaceutical products. “Stopping investments in strengthening warehousing and storage capacity may not be a sustainable approach given Uganda’s commodity-heavy Global Fund grant portfolio,” the CCM secretariat stated.

Revised funding request

An emergency meeting of the Uganda CCM Board was held on 29 March to discuss the situation. At that

meeting, the CCM decided that in view of the position taken by the Global Fund, it had no choice but to abandon its plans for submitting a stand-alone RSSH component.

The CCM asked the Global Fund Secretariat for an extension to 6 April 2017 to revise and resubmit its funding request. It was granted an extension to 4 April. This allowed Uganda two days to respond to any items that the Global Fund Secretariat flagged for clarification ahead of the 6 April deadline for forwarding all funding requests to the Technical Review Panel (TRP). The CCM submitted its revised funding request on 4 April.

In its revised request, the CCM took the amount it had budgeted for the stand-alone RSSH component and re-allocated it to the other components, as shown in Table 2.

Table 2: Re-allocation of Uganda funding request

Redistribution of the $21.3 million previously allocated to the stand-alone RSSH component of the funding request		
1.	Malaria component of the funding request	$18.4 m
2.	TB component of the funding request	$2.5 m
3.	HIV component of the funding request	$0.3 m
	TOTAL	$21.2 m

Note: Discrepancy in the total due to rounding.

Of the $18.4 million re-allocated to the malaria component of the funding request, $17.6 million was to cover LLINs and related program activities. Of the $2.5 million re-allocated to the TB component, $1.3 million was for GeneXpert equipment, accessories and TB-specific community activities related to finding TB cases; and $1.2 million was for strengthening community responses and systems.

When it submitted the revised funding request to the Global Fund on 4 April, the CCM also submitted a revised program split, as follows:

HIV – $256.0 million
TB – $22.4 million
Malaria – $186.7 million

Total – $465.1 million

This program split was accepted and the funding request has been sent to the TRP.

The CCM has also asked the Government of Uganda to fund RSSH interventions totalling $4.6 million, and it has asked in-country development partners to fund $0.5 million.

Additional feedback from the Global Fund Secretariat

In light of what happened with the Uganda funding request, when we were preparing this article we posed several questions to Seth Faison, the Global Fund's Director of Communications. Here are three of those questions along with Faison's responses:

1. Question: Does the Fund encourage countries to create stand-alone cross-cutting RSSH components?

Answer: The Global Fund strongly encourages countries to invest in strengthening systems for health that will improve treatment and prevention of HIV, TB or malaria. We encourage stand-alone RSSH components, if and when they make sense. We oppose setting up separate RSSH components for their

own sake. In many situations, it makes more sense to invest in disease programs that include elements of systems strengthening. In all cases, each application for funding has to be compelling, taking into account country context.

2. Question: How can the Fund, on the one hand, encourage countries to divert funds from their HIV, TB and malaria allocations in order to come up with enough money for a stand-alone cross-cutting RSSH component – and then, on the other hand, criticize countries for "weakening" their response to the diseases in the process? Where else can a country come up with money for an RSSH component except by taking it from the HIV, TB and malaria components?

Answer: We do not encourage countries to divert funds from HIV, TB and malaria allocations; we encourage countries to do so only where it makes sense. In this instance in Uganda, the proposed RSSH element did not have a clear link to how the expected systems would benefit the disease component. More important, it would have reduced funding for essential treatment, where essential treatment is urgent and significant. Funding for RSSH should never get in the way of procuring or acquiring indispensable commodities such as ARVs or mosquito nets.

3. Question: Does not at least some of the feedback and guidance provided to Uganda by the Secretariat fall within the purview of the TRP? The way this has evolved, Uganda developed an RSSH funding request with six modules and numerous interventions, but the request won't ever be reviewed by the TRP.

Answer: The Global Fund Secretariat can and should make basic determinations before a proposal goes to the TRP. In this case, the funding request did not make sense. It was going to be a new initiative funded under a new PR, implying extra administrative costs, while essential treatment would have to be cut.

Editor's Note: Regarding this last answer from Faison, as noted above, the CCM secretariat clarified to Aidspan that the proposed third PR would manage the HIV, TB and malaria grants as well as the RSSH initiatives.

The letters and emails referred to in this article are on file with the author.

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