Independent observer of the Global Fund

Global Fund Observer

NEWSLETTER

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1. NEWS: Global Fund announces $12.71 billion for 2020-2022 country allocations

BY ADÈLE SULCAS

The Global Fund announced its largest-ever funding allocations on 18 December, of $12.71 billion, with an overall increase of 23% over the 2017-2019 total allocations amount. All Global Fund regions are receiving more compared to the previous allocation period, with 84% of all eligible countries receiving an increase, and 32 countries receiving allocations that have increased by 40% or more. Funding requests from countries can now be submitted to the Global Fund before the Window 1 deadline of 23 March 2020. Changes to the application process represent 'refinements,' the Fund says, and include the provision to countries of tailored 'essential data' sets, to facilitate the development of countries' requests as well as their consideration by the Technical Review Panel.

2. NEWS: Global Fund informs countries individually of 2020-2022 allocation amounts

BY ADÈLE SULCAS

In the days between December 12 and 17, the Global Fund informed countries eligible for Global Fund funding in the 2020-2022 allocation period of their overall country allocations for HIV, TB, malaria, and resilient and sustainable systems for health. The Secretariat sent individualized letters to each eligible country before its December 18 publication, on the Global Fund website, of the full list of country allocations. This article describes in general the information and guidance to countries contained in those letters.

3. FEATURE: Workshop to prepare consultants and countries in Western and Central Africa to develop new Global Fund funding requests

BY CHRISTELLE BOULANGER

UNAIDS, in partnership with WHO, UNDP, UNFPA, UNICEF and Expertise France, organized a workshop to bring together consultants who will be involved in preparing funding requests for the Global Fund's next allocation cycle, and representatives from recipient countries. Differentiated approaches were presented, and particular attention was placed on areas of concern: prevention, testing and prevention of mother-to-child transmission.

4. NEWS: OIG audit of Global Fund grants to South Sudan highlights that risk mitigation "needs significant improvement"

BY ANN ITHIBU

The Office of the Inspector General, in its second audit of Global Fund grants to South Sudan, found that grant implementation arrangements and financial management and assurance mechanisms were partially effective, while acknowledging the challenges imposed on the country by decades of political instability. The OIG also found that the identification and mitigation of risks related to service delivery, monitoring and evaluation, and procurement and supply chain need significant improvement.

5. NEWS: Global Fund grants to Malawi need improved financial controls and interventions for adolescent girls and young women, OIG says

BY ADÈLE SULCAS

An audit by the Office of the Inspector General of Global Fund grants in Malawi acknowledges the country's progress against AIDS, tuberculosis and malaria in the context of its health system facing multiple challenges. While also noting some improvements in data collection systems and the supply chain, the OIG says major improvements are needed in financial controls within two of the country's three Principal Recipients, and in Malawi's program for HIV interventions for adolescent girls and young women.

6. NEWS: Global Fund Executive Director calls for increased domestic investments in health at ICASA meeting in Rwanda

BY ANN ITHIBU

Global Fund Executive Director Peter Sands called for increased domestic investments to fight AIDS, TB, and malaria during the recently concluded 20th International Conference on AIDS and Sexually Transmitted Infections in Africa (ICASA) held in Kigali, Rwanda. The call comes after a successful replenishment in which the Global Fund raised $14 billion for its 2020-2022 funding cycle, and on the cusp of the Fund's December announcement of country allocations. Sands urged countries to raise additional domestic resources, and to spend enough of these resources on health, particularly on the right programs and for populations that are most in need.

7. OF INTEREST: News for and about the Global Fund partnership

BY AIDSPAN STAFF
This edition's 'Of Interest' focuses on the 5% Initiative's call for malaria program proposals for the Sahel and Central Africa regions, the recently published World Malaria Report, and a guide to navigating the Global Fund's new allocation cycle with gender considerations prioritized, from Women4GlobalFund.

8. MESSAGE TO READERS: Season's greetings from Aidspan and the Global Fund Observer

Holiday greetings from the Chair of Aidspan's Board.

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ARTICLES:

1. NEWS: Global Fund announces $12.71 billion for 2020-2022 country allocations

Overall amount increased by 23% compared to 2017-2019 allocations

Adèle Sulcas **19 December 2019**

In a news release published on 18 December, the Global Fund announced its largest-ever funding allocations for eligible countries. The total amount available for country allocations for the 2020-2022 allocations cycle is $12.71 billion, with $890 million available for catalytic investments for the period beginning in January 2020. This is 23% more than for the previous three year period.

The Global Fund's website has made available for download (in an Excel spreadsheet) the definitive list of allocations to countries This followed allocation letters sent by Country Teams to all Country Coordinating Mechanisms between 12 and 17 December 2019.

Every region is receiving more funding than in the previous funding cycle, with Africa receiving $2 billion more than in the previous period, of which the largest increase ($780 million) goes to West and Central Africa. Overall, 84% of eligible countries with an allocation for 2020-2022 receive an increase in funding compared to 2017-2019, with 32 countries receiving allocations that have been increased by 40% or more compared to the previous period.

The Global Fund's overview document of these allocations and catalytic investments says that the 2020-2022 allocation model continues to drive resources to the highest-burden and lowest-income countries; the 15 highest-burden countries for each of the three diseases represent 63% of the total allocations for 2020-2022, with an increase of $1.56 billion over 2017-2019. This allocation model also focuses on countries where progress is most critical to

disease impact, including the 13 AGYW-priority countries, the top 20 countries for finding missing people with TB, and the 10+1 high burden to high impact malaria countries.

Allocations information available from the Global Fund

The updated 'Allocation' page on the Global Fund website provides downloads of 2020-2022 Allocations, an Overview of the 2020-2022 Allocations and Catalytic Investments, 2020-2022 Frequently Asked Questions, and the 2020-2022 Allocation Methodology.

Further guidance for applicants is available on the Global Fund website's

Over the past several months, in order to help countries prepare further in advance compared to previous allocation cycles, the Global Fund has made available a raft of new and updated information and resources for applicants preparing grant applications for the 2020-2022 funding cycle. We summarize these new resources below (see 'New resources for applications', including links to the relevant pages on the Global Fund's website.

Major changes in the application process and materials include the inclusion of 'essential data tables' for countries to use in addition to country context provided in the funding request narrative, two new types of funding request designed for 'Focused portfolio' countries, and the requirement for all countries to submit a Prioritized Above Allocation Request (PAAR) application at the same time as their initial funding request.

The total amount available of $12.71 billion for country allocations in the 2020-2022 funding cycle was arrived at from the amounts the Board approved for these allocations at its November 2019 Board meeting (Board Decision GF/B42/02). The three tables below explain the Board-approved calculation to arrive at the overall allocations amount (Table 1), allocations by component (Table 2), and allocations for the ten countries receiving the largest amounts (Table 3).

Table 1: Calculation of amount available for allocations to countries in 2020-2022 ($US)

Item	Balance
6th Replenishment results ($14.02 bn) "net of certain adjustments"	$13.25 bn
Plus $0.65 bn of forecasted unutilized funds	$13.90 bn
Minus $0.89 bn for 2020-2022 catalytic investments	$13.01 bn
Minus forecasted aggregate Global Fund operating expenses of $0.9 billion	$12.11 bn
Plus additional $0.6 bn pursuant to Board Decision GF/B41/DP03*	**$12.71 bn**

Source: Global Fund Board Decision GF/B42/DP03

**Note: Decision Point GF/B41/DP03, 2(c) "approves that no more than USD 800 million of sources of funds available for country allocations be used to ensure scale-up, impact and paced reductions, as described in paragraph 4.c of the Allocation Methodology"*

Table 2: Global Fund 2020-2022 allocations, by component

Component	Sum of Allocation (USD Equivalent)	Percentage of total
HIV/AIDS	6,316,265,908	50%
Malaria	4,010,639,433	32%
Tuberculosis	2,229,948,791	18%
Total	**12,556,854,132**	**100%**

Table 3: Global Fund's top 10 allocations for 2020-2020

Rank	Country	2020-2022 allocation ($)	2017-2019 Allocation ($)	Percentage increase (decrease)
1	Nigeria	890,597,667	674,686,133.00	32%
2	Mozambique	751,513,182	519,581,708.00	45%
3	Congo (Democratic Republic)	644,935,787	539,986,425.00	19%
4	Tanzania (United Republic)	587,270,528	593,595,776.00	-1%
5	Uganda	579,001,931	474,457,044.00	22%
6	South Africa	536,766,626	369,321,121.00	45%
7	Malawi	512,939,077	457,475,140.00	12%
8	Zimbabwe	500,490,755	501,980,512.00	0%
9	India	500,000,000	500,000,000.00	0%
10	Ethiopia	444,553,614	375,608,887.00	18%

Note: *The numbers used in the tables above come from the 2020-2022 Allocations numbers published on the Global Fund website. We suggest that the reader (a) consider the amounts in this article to be approximate due to potential currency differences and rounding, and (b) in case of discrepancy consult the Fund's spreadsheet for the original official figures.*

Main changes to the Funding Request Application process

The main changes in the application process for 2020-2022, as laid out in the Global Fund's new 'Applicant handbook and resources for the 2020-2022 funding cycle,' include conceptual and process changes. In summary, they are:

#1. Refinements, not a redesign: The application process has been simplified with the intent to make the process smoother, rather than requirements having been significantly changed.

#2. A streamlined application for Focused countries: The two new types of application approach (there were three in 2017-2019, five in 2020-2022) are called 'Tailored for Focused Portfolios' and 'Tailored for Transition'. They have been created to provide a simpler approach for almost half of the countries that receive an allocation from the Global Fund. (Also see 'Types of funding request' below.)

#3. Emphasis on systems integration: The Global Fund is promoting a 'systems' approach, in order to improve health outcomes and ensure the sustainability of investments. Applicants

are encouraged to focus on results, promote innovation, apply systems thinking (including exploring common systems constraints such as human resources, laboratory systems, and supply chains), and consider equity issues in light of disproportionate effects of the diseases on different populations.

#4: Essential Data Tables: A new tool for data-driven funding requests, this Allocations cycle introduces country-specific, pre-filled Essential Data Tables containing the most recent data tha the Global Fund and partners have related to demographics, disease components and cross-cutting issues. This data provides a consistent, standardized data set to support both the country's funding request and the TRP's decision-making. (See also 'new resources for applications' below.)

#5: The Prioritized Above Allocation Request: The PAAR, a list of costed and prioritized interventions for which funding is needed but cannot be funded from the country allocation, must now be submitted at the same time as the initial funding request, so that any interventions approved later are ready to be integrated into grants as soon as funding is identified. The Global Fund suggests that the amount requested in the PAAR be at least 30% of the allocation amount.

Types of funding request

In the previous funding cycle, countries could use one of three types of funding requests: Full Review, Tailored Review, and Program Continuation. In the 2020-2022 funding cycle, there five types of requests (listed below). The type of funding request countries should use was communicated in the allocation letters sent to Country Coordinating Mechanisms by 17 December 2019.

Five types of funding request for the 2020-2022 funding cycle:

- Program Continuation: enables well-performing programs which require no significant changes to continue implementation with minimal distraction
- Tailored for Focused Portfolios: application is streamlined and designed to meet the needs of countries with smaller funding amounts and disease burden, and to ensure targeted investments have the greatest impact
- Tailored for National Strategic Plans: documentation requirements rely primarily on suitable national strategic plans referenced in place of the funding request narrative
- Tailored for Transition: suitable for countries approaching transition from Global Fund financing, building sustainable programs with decreasing Global Fund support
- Full Review: applications are a comprehensive review of strategic priorities and programming in higher burden countries

Timing of funding requests

As reported in the GFO in September when the Global Fund published new funding request materials, there are three application windows in 2020, and CCMs have a choice as to the window in which they submit their funding request. The Secretariat told the GFO that its guidance to countries has been that CCMs should carefully plan backwards from their current grant end date (Allocation Utilization Period, or AUP) to identify the most appropriate

submission timing and ensure they have sufficient time for grant-making and ensuring their new grants are implementation-ready. Generally this means that all applicants with grants ending in Dec 2020 should plan to submit their funding requests in Window 1 (deadline 23 March 2020) or Window 2 (deadline 25 May 2020). (See article in this GFO for more detail on allocations letters sent to countries.)

According to the Secretariat, roughly two-thirds of the Global Fund's current grants end in December 2020, which means that CCMs will need to be ready to submit their completed funding requests in either Window 1 (deadline 23 March 2020) or Window 2 (deadline 25 May 2020). This is necessary in order for implementers and the Secretariat to have a reasonable amount of time to complete grant-making and have grants signed by the end of that year, so that they are ready to begin implementation in January 2021.

New resources for applications

In the months leading up to this funding cycle, the Global Fund introduced a number of new resources intended to support countries in their preparations for developing their funding requests. These include:

- "Essential Data for applicants": The package of materials sent to countries that included the Allocations letter also contained a country-specific "essential data" file, in Excel format, containing data that countries should use as their data basis for their funding request. These tables are also publicly available on the Global Fund website, via links at the bottom of the Funding Request Applications page. These data sets are intended to provide a data 'common denominator' for applicants and the Technical Review Panel, which will review each application.
- Webinars on the 2020-2022 funding cycle: The Global Fund held a Webinar (two sessions) on Dec 17, the date by which all countries had received their Allocations letters, and plans to hold further Webinars later in December, the Global Fund website says.
- Frequently Asked Questions on the 2020-2022 Funding Cycle: This document, created in Spetember 2019, is available for download from the Global Fund website, accessible via link on the 'Applicant Guidance' page.

Further resources and reading:

- The Global Fund's Applicant handbook and resources for the 2020-2022 funding cycle'
- Article from GFO 369 on the Global Fund's Eligibility List 2020 and list of projected transitions from Global Fund funding by 2028 (30 November 2019)
- Article from GFO 367 on the Technical Review Panel's observations on the 2017-2019 Allocations cycle, intended to assist countries in their applications for 2020-2022 (6 November 2019)
- Article from GFO 363 on Global Fund's publication of new funding requestion information for 2020-2022 (10 September 2019)

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2. NEWS: Global Fund informs countries individually of 2020-2022 allocation amounts

Letters to each eligible country specify program split, co-financing commitments

Adèle Sulcas **19 December 2019**

Countries eligible for Global Fund funding in the 2020-2022 allocation period have been informed by the Global Fund Secretariat of their overall country allocations for this next funding cycle, for HIV, TB, malaria, and resilient and sustainable systems for health.

The Secretariat sent individualized letters, signed by the Division Head of Grant Management, to each eligible country's Country Coordinating Mechanism between 12 and 17 December 2019.

The allocations letters, sent by email, were accompanied by a package of tailored application materials including the funding request template (for the type of application the Global Fund recommends to that country), a template for the confirmation of the program split, and the Essential Data Table for that country. Francophone countries received two allocations letters, the original (legal) version in English, and a translation of the letter in French.

To access this funding, countries must use the information and guidance set out in the allocation letters to prepare their funding requests to the Global Fund. Funding requests are to be submitted in one of three 'windows' in 2020; it is up to CCMs to determine which window is appropriate for their funding request submission. The Secretariat

Each allocation letter states which type of funding request the country should use for their funding application for each component (see 'Types of funding requests' section below.)

On the basis of the allocation letters that Aidspan has seen, we are able to describe generically the types of information contained in the letters.

Country allocation: The first item is the country's total allocation, based on the decision taken at the Global Fund's November 2019 Board meeting on the funding available for the 2020-2022 allocation period. Each letter states the overall amount for the country's programs for HIV, tuberculosis, malaria, and building resilient and sustainable systems for health (RSSH) combined, based on the country's disease burden and income level (determined from Gross National Income per capita using the World Bank income group thresholds for 2019). The allocation amounts per component are then laid out in a summary table (see illustrative example in Table 1 below).

Table 1: Illustrative example of summary allocation table included in allocation letters to countries

Eligible disease component	Allocation (US$)	Allocation utilization period

HIV	100,000,000	1 October 2021 to 30 December 2024
Tuberculosis	20,000,000	1 January 2021 to 31 December 2023
Malaria	60,000,000	1 July 2021 to 30 June 2024
Total	**180,000,000**	

NOTE: This is a fictitious table, presented for illustrative purposes only. The numbers do not represent the allocations of any one country.

Application Approach: This is the section where the type of application to be submitted is specified (among the five possibilities of Program Continuation, Tailored for Focused Portfolios, Tailored for National Strategic Plans, Tailored for Transition, or Full Review), and provide a justification for any recommendations to submit a joint funding request (for more than one component). The letters also state here that a complete set of application materials will be shared by the Country Team, and that funding requests are required to be developed through an inclusive and transparent country dialogue with a broad range of stakeholders including key and vulnerable populations.

Timing: The timing specified refers to the allocation utilization period indicated in the allocations summary table (as in the generic example in Table 1 above). The standard utilization period is three years; in some cases, in order to align grants with the country's own fiscal cycle, this period may differ, and is explained here. This section also states that any funds from a previous allocation period that remain unused by the start of the specified allocation utilization period will not be available for use in the new allocation period.

Implementation: In the letters Aidspan has seen, this short paragraph can differ considerably from country to country. For some, it suggests only that countries explore opportunities to streamline and consolidate implementation arrangements. For others, it suggests the same, and then that countries might, for example, submit a joint funding request, or that the country not change a Principal Recipient. For countries whose grants operate under the Additional Safeguards Policy and will continue to do so, the letter states that the Global Fund will continue to monitor the evolving situation. It also states that it is committed to implementation through national entities and will continue to engage with the country to transition a specific grant or grants to national entity implementors.

(Aidspan has received some feedback from countries expressing concerns relating to this section, which seems to be either quite vague or quite strongly suggestive, depending on the country and its circumstances.)

Program split: This section explains further the proposed split of funds across eligible components, as indicated in each country's summary allocation table. The letter states, however, that it is the CCM's responsibility to assess and propose the best use of funds across the eligible disease components and related investments in the health system. Applicants are free to accept the Global Fund's split or propose a revised split, to be reviewed by the Global Fund. *(Editor's note: In order to change the Global Fund's program split, countries will*

have to provide additional data, in order to challenge the data provided by the Global Fund in the 'essential data' sets, which may prove challenging at country level.)

Aims of allocation: The letters state that countries' funding requests should be aligned with prioritized country needs, and in this section specify areas the Fund asks the country to consider during its funding request development.

The Annexes to each letter go into more detail on issues such as currency, value-for-money procurement, application focus requirements given the country's income classification, and co-financing incentive requirements, including a review of co-financing and domestic commitments in the 2017-2019 allocation period.

In addition, there is a section in the Annexes on Catalytic Matching Funds, which aim to incentivize the use of country allocations towards the Global Fund's strategic priorities, and in support of the Sustainable Development Goals. This section specifies in detail the priority area(s) of a country's eligibility for these matching funds, the amount available for each area, and the conditions under which the country will be able to access the matching funds.

Systems' strengthening, human rights and gender, increasing domestic resources

The allocation letters contain paragraphs on the importance of investments in health and community systems, investments in human rights and gender, and the importance of increasing domestic resources. The Fund encourages applicants to invest in strengthening health and community systems, which is essential, the letters say, to accelerate progress towards the epidemics, and to explore opportunities for integration across the diseases and within health systems. The letters further specify that the Global Fund welcomes initiatives to introduce and strengthen integrated care from a patient perspective, as well as investments in underlying system capacities (such as supply chains and data systems). In addition, the letters emphasize that removing human rights- and gender-related barriers to accessing services is critical to ending the epidemics.

In the section on increasing domestic resources, the letters state plainly that accessing the 2020-2022 allocation is depending on meeting the Global Fund's co-financing requirements, with all countries expected to progressively increase their overall health spending, and progressively take on key program costs, including those financed presently by the Global Fund. Country-specific information follows, including possible additional commitments related to the Sustainability, Transition, and Co-Financing policy, if applicable.

In cases where refunds are due from countries to the Global Fund, as a result of Global Fund verification of expenditures or audits or investigations by the Office of the Inspector General, a paragraph on 'Recoveries' is included in the letter. The paragraph stipulates the country's outstanding recoverable amount, and says that the country's access to the full allocation amount will be conditional on relevant Principal Recipients' actions towards repayment. 'Remedial action' could include a reduction in funding of twice the outstanding recoverable amount(s).

Unfunded Quality Demand and Catalytic Matching Funds

The allocation letters end with a section on 'opportunities for funding beyond the allocation amount', in which the Global Fund requests that all applicants develop a Prioritized Above Allocation Request (PAAR), which is to be submitted along with the allocation funding request. The Technical Review Panel will list those interventions from the PAAR that it considers feasible in the Register of Unfunded Quality Demand (UQD). These interventions may then be funded through savings and efficiencies identified in grant-making, implementation, portfolio optimization, private sector investments, and/or Debt2Health swaps. The Global Fund says that in the 2017-2019 allocation period, $1.2 billion of unfunded quality demand was funded in this way.

Depending on the country, some letters inform countries if they are eligible for matching funding [under 'catalytic investments']. Catalytic matching funds are intended to incentivize the programming of allocations towards key strategic priorities, such as key and vulnerable populations, human rights, gender equality, and data strengthening. For countries that are eligible for catalytic matching funds, the letters state how much funding is available and for which specific program area or intervention, along with an instruction to submit an integrate funding request that includes interventions for the total matching funds amount and the initial allocation amount. (The matching funds instructions are further developed in the annexes to the letters.)

Types of funding request for the 2020-2022 funding cycle

In the previous funding cycle, there were three types of funding requests: full review, tailored review, and program continuation. In advance of the country allocations letters being sent out, the Global Fund published on its website that it was revising application guidelines for the 2020-2022 funding cycle, and that there would now be five types of requests:

- Program Continuation: enables well-performing programs which require no significant changes to continue implementation with minimal distraction
- Tailored for Focused Portfolios: application is streamlined and designed to meet the needs of countries with smaller funding amounts and disease burden, and to ensure targeted investments have the greatest impact
- Tailored for National Strategic Plans: documentation requirements rely primarily on suitable national strategic plans referenced in place of the funding request narrative
- Tailored for Transition: suitable for countries approaching transition from Global Fund financing, building sustainable programs with decreasing Global Fund support
- Full Review: applications are a comprehensive review of strategic priorities and programming in higher burden countries.

Comparison with 2017-2019 funding request applications

The Global Fund calculates country allocations using a formula that includes the countries' disease burdens and its economic category as determined by the World Bank (low income, lower-middle income, upper-middle income). The final amount is adjusted by a 'qualitative factor' while ensuring that no country receives less than $500 000 and no more than 10% of the Global Fund resources for any disease.

With such a formula, the current allocation is always bound to vary from the previous allocation. The allocation will increase if the burdens of disease increase, or will decrease if the previous grants' funds were not fully absorbed, and/or due to 'paced reduction'. (The Global Fund steadily decreases funding for countries that have received overly generous allocations in the past, to the point where their current allocation is in line with the current allocation formula).

Below is an illustrative table with the real allocations of three countries, called here countries A, B and C. Total allocations for Country A increased by 14% and that of Country B by 35%. Conversely, Country C's allocation decreased by 9%. Those differences are related to increases (or decreases) in all three disease allocations. For instance, Country A had a 122% increase in its TB grant amount while country C had a 21% decrease for HIV.

Table 2: Three Sample Countries' allocations for 2017-2019 and 2020-2022

Countries	Disease component and Total	Allocation 2017-2019	Allocation 2020-2022	Difference in %
Country A	Total	450,475,140	512,939,077	14%
	HIV	370,804,766	393,004,813	6%
	TB	9,000,000	19,950,195	122%
	Malaria	70,670,374	99,984,069	41%
Country B	**Total**	**660,686,133**	**890,597,667**	**35%**
	HIV	239,781,871	329,107,978	37%
	TB	107,495,151	143,595,962	34%
	Malaria	313,409,111	417,893,727	33%
Country C	**Total**	**210,078,156**	**190,161,352**	**-9%**
	HIV	154,462,907	121,349,916	-21%
	TB	14,154,994	14,016,245	-1%
	Malaria	41,460,255	54,795,191	32%

Source: Countries' 2017-2019 and 2020-2022 Allocations letters

The information in this article is derived from a number of allocations letters sent by the Global Fund to countries, and from content available on the Global Fund website. The full list of 2020-2022 country allocations is available on the Global Fund website.

Djesika Amendah contributed reporting and analysis to this article.

Further resources and reading:

- The Global Fund's December 18 news release on 2020-2022 Allocations
- The Global Fund's Overview of the 2020-2022 Allocations and Catalytic Investments
- 2020-2022 Allocation Frequently Asked Questions (December 2019)
- The Global Fund's 2020-2022 Allocation Methodology (December 2019).

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3. FEATURE: Workshop to prepare consultants and countries in Western and Central Africa to develop new Global Fund funding requests

UNAIDS and partners highlighted interventions that have proven effective, and priorities of prevention, testing, and prevention of mother-to-child transmission

Christelle Boulanger **17 December 2019**

A regional workshop in Western and Central Africa (WCA) to build the capacity of national consultants and experts working on Global Fund grant applications was held in Saly, Senegal, from 25 to 27 November 2019.

The workshop, organized by UNAIDS, the Global Fund and other partners such as WHO, UNICEF, UNFPA, UNDP, Expertise France, and the Civil Society Institute (Institut de la société civile), brought together 140 people from over 20 countries in the WCA region - country delegates, national and international consultants and UN representatives - who will support the development of funding requests to the Global Fund in the coming months.

The workshop had several objectives:

- To provide an overview of the guidelines and priorities for a more effective response to HIV that should be factored into 2020-2022 funding requests;
- To review approaches and tools related to programmatic priorities around HIV, TB and resilient and sustainable systems for health (RSSH) in WCA;
- To share the latest thoughts on prioritization principles, the investment approach and the central role of civil society;
- To discuss specific issues relating to challenging operating environments (COE)
- To enable experts to share their experience (across countries) and create a (virtual) regional technical working group relating to the 2020-2022 grant cycle.

Challenges in the West and Central Africa region

Preventing new infections

The various presentations given during the three-day workshop all highlighted the significance of the challenges the region is facing, particularly in terms of preventing new infections, more than 60% of which occur among key populations and their sexual partners. Adolescents and young adults (240 new infections daily in WCA) are also particularly vulnerable. In light of delays in treatment (only 51% of people who know their HIV status are currently on treatment in the region), activities raising awareness of the importance of HIV prevention are also crucial, as is condom provision.

As part of this response, partnerships with the United Nations Populations Fund (UNFPA) and with sexual and reproductive health Directorates within Ministries of Health are essential. Pinpointing geographical pockets of new infections and having a good understanding of adolescents and young adults are also important: UNFPA has launched a vibrant advocacy campaign targeting young people, who require a response tailored to their needs and who need to be involved in developing these interventions.

Missed opportunities for prevention of mother-to-child transmission

Tangible progress has been made towards preventing mother-to-child transmission, but it is not enough. UN agencies, including UNICEF, WHO and UNAIDS, have played a considerable role in this area, through developing strategies to reach women during pregnancy, to help them disclose their HIV status, to put them on treatment and keep them on it until their child reaches 18 months. Despite this, half of the children living with HIV become infected during this period, which demonstrates the challenge of retaining mothers in care beyond delivery. There are also missed opportunities during pregnancy (90% of pregnant women go to the health center at least once during pregnancy; it should therefore be possible to test them when they attend the health facility) and after childbirth, both of which present many windows of opportunity to reduce infections. Participants from Unicef said that it is necessary to think about how to move forward so that these opportunities are not missed and that those working most closely with mothers at community level encourage this link during pregnancy and following childbirth.

The relevance of differentiated approaches

Many interventions appear to have been successful, in the current and previous Global Fund cycles, at expanding the implementation of differentiated approaches, i.e. approaches that are diversified as well as tailored to meet specific, identified needs. Many different testing strategies were presented and discussed, from family testing and index testing to self-testing, which have been put in place as part of the ATLAS project run by SOLTHIS (relating to self-testing for HIV) and funded by Unitaid. They all bring benefits, associated investments and costs, and present opportunities to speed up the region's delays in achieving the first ‘90’ (knowing one’s HIV status) in UNAIDS’ 90-90-90 combined target.

It has been the same for starting people on treatment and retaining them in care, which is done through many differentiated approaches nowadays: for adult patients who are stable, once treatment has been initiated at the health center, follow-up care can be done in the community. There are many options: community ART distribution points managed by organizations of people living with HIV, adherence support groups, fast-track channels in health facilities, community-based distribution. These strategies have helped to unclog health centers, bring services closer to users (while lowering the cost and time spent seeking treatment), and have enabled a new form of collaboration between organizations of people living with HIV and patients. These approaches are all the more important given that a number of patients are lost to follow-up after 24 months and there are further difficulties ensuring retention beyond that. These community strategies tailored to the needs of patients must be strengthened, it was discussed, and put to scale.

Viral-load testing seems to be the only area where there have been no major innovations in intervention strategies. An overview of the basic principles was given at the workshop: training of health-care providers, stimulating demand, checking the transport route for samples (the study carried out in Senegal to send dried blood spots to Dakar from regional level to carry out early infant diagnosis tests, called Emprise, was mentioned), and results returned within a reasonable timeframe. But there were not enough differentiated strategies relating to the patient's place of residence, and the proximity of viral-load testing centers, and there were few reflections on the cost, or on the analysis of results and moving to second-line treatment.

Key populations

In addition to the lack of data on key populations, vulnerability of these groups to stigma, discrimination, violence and exploitation and their limited access to the appropriate health services were also highlighted.

Activities targeting key populations tend to focus on prevention and awareness-raising campaigns. For homosexuals and sex workers, the major gaps relate to limited condom and lubricant distribution, awareness-raising methods, access to services for sexually transmitted infections and mental health services, and linkages between testing and treatment services. To date there has been little focus on services for drug users, prisoners and transgender people. There are few needle- and syringe-exchange and opioid-substitution treatment programs and overdose prevention is not included in most national strategic plans in the region. There is also a lack of disaggregation by sex, gender, and age in key-population-size estimations, in epidemiological surveillance, and in programs, from the design stage all the way up to service monitoring.

Cross-cutting issues

Civil society

One of the recurring themes of the meeting was the fact that we will not be able to achieve the three ‘90s’ without involving civil society (CS). The ongoing regional initiatives presented at the workshop, be it community treatment access watchdogs, the Regional Civil Society Coordination Institute (Institut Régional de coordination de la Société Civile) or the Global Fund communication platforms, have shown that in a large number of areas, from prevention to monitoring and evaluation, civil society has a unique comparative advantage that goes above and beyond solely advocacy.

UNAIDS outlined the way forward to ensure that civil society plays a central role: each country should to take stock of policies that enable civil society to take action, identify civil society organizations that could work on specific issues, set out an action plan for civil society organizations in these areas, including institutional and technical capacity building, and ensure funding request-writing committees factor these civil society plans in. In this regard, UNAIDS has carried out an exercise to map civil society and plans to accelerate civil society's contribution in more than 10 countries in the region.

Human rights and gender

UNAIDS said that programs to overcome human rights issues and gender-related barriers that hinder access to HIV services should be identified, integrated, costed, budgeted, implemented and evaluated on a sufficient scale to make a difference. These programs must now be described in a comprehensive way in concept notes. Practical steps were presented by the GF, UNAIDS and UNDP to enable integration and strengthening of human rights principles and programs in national AIDS responses, in order to facilitate access to health care and to maximize the chances of them being adopted and adhered to, to ensure that nobody is left behind. It was mentioned that there are examples of programs that have proven successful in reducing human rights issues and gender-related barriers that hinder access to HIV services.

Risk management

An overview of risk mitigation policy in grant management was presented. The WCA region is particularly affected by additional safeguard measures, especially in 'challenging operating environments' (13 countries in the region fall into this category). However, studying risk is not limited to the risks related to sound financial management of grants. Risk management also relates to program governance (inadequate governance of the national program, monitoring of grants by the principal recipient, compliance with Global Fund requirements), quality of health commodities, risks related to human rights and gender equity, macroeconomic factors that impact, in particular, honoring co-financing commitments, and political instability in the country.

This analysis is crucial, it was noted, and must be included in the concept note following a comprehensive, focused dialogue to identify all risks and mitigation measures. Although some risks cannot be avoided as they relate to macro political and economic issues over which health stakeholders have little or no control, they must still be taken into account to guide operational decisions (operating in risk areas requires original and adapted intervention methods) and strategic decisions (which priorities to achieve optimal impact?), it was agreed.

Strengthening health systems

Finally, the topic of priorities for strengthening health systems and for integrating TB, hepatitis and sexual and reproductive health into HIV prevention and treatment activities was raised by the Global Fund's RSSH department and by WHO. Selecting the amounts allocated to health system strengthening (HSS) activities is left to the discretion of each country, as well as choosing to draft a specific HSS request or to build it into one of their grants (when preparing grants in the current cycle, most HSS activities were built into countries' malaria grant). For the Global Fund, following the last report of the Technical Review Panel (TRP), the challenge lies in moving from supporting the system to strengthening it and ensuring it is sustainable. This involves strategic investments that are intelligently thought out and identified through an improved understanding of the context of the different pillars of the system, involving all stakeholders in this system (public, private, civil society organizations).

The main priorities identified by the Global Fund have not fundamentally changed since 2017. They relate to: service delivery (especially for adolescents' sexual and reproductive health services; integrated care and support for children and how that translates at community level); human resources for health (in particular establishing systems for career development and for deployment of human resources across the country, plans for funding, and motivation for professionals from the Ministry of Health); support to the pharmaceutical and laboratory sector; and health management information systems. Given the competing urgency in this area, the long-term nature of efforts to achieve the expected results and the number of partners involved, it is necessary to have an inclusive dialogue. This needs to happen as quickly as possible at country level to bring together all stakeholders and technical and financial partners. This will allow identifying the priorities of an HSS roadmap and the funding gaps that are usually covered by Global Fund grants.

Sustainability, transition and co-financing

It was broadly agreed, and emphasized by the Global Fund, that sustainability considerations must be integral to the planning and implementation of programs for all countries, regardless of whether they are developing countries or not. The first step is having a robust and costed national strategic plan, developed with significant involvement of all stakeholders (including communities most affected and civil society).

In the WCA region, based on lessons learned from previous concept notes, the Global Fund's RSSH team would like to see funding requests that include: clear sustainability analysis: understanding of current challenges and plans / proposals to address them; considerations around allocative and technical efficiency, linked to existing national studies and strategies; increased focus on integration (including community activities); national funding: evidence of national efforts to mobilize funds for the three diseases and health systems at the national level - partners, private sector, national budget; focus on co-financing commitments for some interventions (including human resources for health); clarity on expenditure tracking and reporting at national level; a clear vision for developing human resources for health, with coordinated and standardized approaches managed by governments and co-financing commitments; and greater clarity on strategic investments into health systems to improve sustainability, including data, performance-based management, and supply chains.

Conclusion

Various orientation workshops on the three diseases are taking place during the current preparation period for the new cycle. The allocation letters, which have been sent to countries starting during the week of December 12, will kick off the country dialogue process, although a number of countries have already initiated a schedule to monitor funding requests, have designated a chair for the proposal committee, and have submitted requests for technical assistance to different providers (UNAIDS Technical Support Facility, WHO, 5% Initiative). This is why updating and preparing consultants and country experts is so crucial, participants affirmed. In the words of one participant, this workshop "enabled us to share experiences between the various stakeholders involved in the HIV response, making innovative strategies tangible, especially those advocating differentiated services. We can see that it is through

coordination and ensuring synergy between all stakeholders (health delivery and civil society) that these strategies are effective."

The presentations and reference documents from the Western and Central Africa workshop are publicly available in a shared folder on UNAIDS' Sharepoint site.

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4. NEWS: OIG audit of Global Fund grants to South Sudan highlights that mitigation of risks need significant improvement

Implementation arrangements and financial management 'partially effective'

Ann Ithibu **18 December 2019**

The Global Fund's Office of the Inspector General (OIG), in its second audit of Global Fund grants to South Sudan, found that the country has made progress across the three diseases despite facing long-standing political instability, economic dependence on oil, and inadequate capacity of human resources for health. The number of people living with HIV who are on antiretroviral treatment increased by 102% between 2015 and 2018, the TB treatment success rate is 80%, and deaths caused by malaria decreased by 20 to 40% between 2010 and 2015.

The OIG published the report of the audit of Global Fund grants to South Sudan on 4 November 2019.

The OIG found that the grant implementation arrangements in South Sudan and financial management and assurance of grant funds are partially effective. However, the OIG found that the identification and mitigation of significant risks, including those related to service quality, monitoring and evaluation activities, and procurement and supply chain, need significant improvement. (The OIG uses a four-tier rating: 'ineffective', 'needs significant improvement', 'partially effective', and 'effective'.)

This article summarizes the OIG's audit report.

Global Fund grants to South Sudan

South Sudan has received over $421 million from the Global Fund since 2005. The country received funding from the Global Fund as Southern Sudan before it ceded from the Republic of Sudan in 2011, under the New Funding Model [NFM1], in the amount of $136 million. Since 2011, South Sudan received additional funding for its HIV program (a Round 4 grant signed in 2005) through the continuity of services and transitional funding mechanism.

The country has three active grants in the current 2018-2020 implementation period, managed by two Principal Recipients (PRs): United Nations Development Programme

(UNDP) for HIV- including the health-systems-strengthening component - and TB grants, and Population Services International (PSI) for the malaria grant (see Table 1). The audit covered all the grants, except for activities or procurements that UN agencies directly implemented, during the period from January 2017 to December 2018. (The UN General Assembly adopted the 'single audit principle' whereby the UN and its subsidiaries cannot consent to third parties accessing their books and records. The UN's oversight bodies audit and investigate UN agencies.)

Table 1: South Sudan's active Global Fund grants*

Principal Recipient	Grant Number	Component	Grant Period	Grant Signed Amount (US$)	Grants Disbursed to date (US$)
United Nations Development Programme	SSD-H-UNDP	HIV	January 2018 to December 2020	32,681,295	16,465,685
	SSD-T-UNDP	TB		9,000,000	3,302,503
Population Service International (PSI)	SSD-M-PSI	Malaria		45,000,000	18,451,214
Total				**86,681,295**	**38,219,402**

Source: OIG audit of Global Fund grants to South Sudan (report number GF-OIG-19-021)

**Note: The OIG audit covered the first 12 months of the grants listed in Table 1, as well as grants from 2015-2017 for the three diseases.*

The OIG noted that the grants' performance generally exceed expectations. However, a few malaria indicators reported zero rates of achievement due to poor-quality data; the Secretariat rejected the data presented in the progress update and disbursement request (PUDR).

Country context

South Sudan is a low-income country with an estimated population of 11.06 million people. The country is one of the most challenging environments in the Global Fund portfolio marked by political instability and violence. South Sudan became independent in 2011 after a long civil war and a referendum that allowed it to secede from Sudan.

South Sudan is the most oil-income-dependent country in the world. A fall in oil prices led to a drop in the share of health in government funding, from 7% in 2012 to 1% in 2016. The health sector is thus predominantly funded by donors. The Global Fund is a key development partner, providing 31% of HIV, 64% of TB, and 39% of malaria funding in the 2018-2020 implementation period. South Sudan has inadequate human resources and infrastructure for health across the country.

The Global Fund has classified South Sudan as a 'core' country - i.e., larger portfolios, higher disease burden and higher risk, and also as a Challenging Operating Environment (COE). COEs are countries or regions characterized by weak governance, poor access to health

services, and man-made or natural crises. South Sudan is also under the Additional Safeguard Policy (ASP) as a direct consequence of ongoing insecurity, insufficient public accountability, rebuilding of systems, infrastructure and capacity after decades of conflict. The ASP is a set of measures that the Global Fund can put in place to strengthen fiscal and oversight controls in a country. Specific safeguards applied in South Sudan are:

- The Secretariat selects the PR (in other countries, the Country Coordinating Mechanism does);
- The Local Fund Agent (LFA) assesses sub-recipients (instead of the PR conducting the assessments);
- Procurement agents (UNDP and PSI) purchase commodities needed for the grants;
- The Secretariat requires additional capacity assessments of the national programs.

Malaria remains a major public health issue in South Sudan and is endemic across the country. It accounts for 45% of all health facility visits and is one of the major causes of illness and death among children under five. Adult HIV prevalence in the general population is 2.5%, while among men who have sex with men (MSM) it is 3.3%. UNAIDS has set an ambitious target of 90-90-90 by 2020: 90% of people know their HIV status, among them 90% are on treatment and among those on treatment, 90% have a suppressed viral load. Those target percentages in South Sudan are currently 24-16-83, indicating that the country is falling far short of the target.

South Sudan is yet to conduct a national TB prevalence study; estimates on epidemiological status and trends are currently based on WHO modeling. The country notified an estimated 14,371 TB cases in 2018, the OIG reported.

Key achievements

South Sudan has made progress in the response against the three diseases. For HIV, the OIG noted an increase in the number of sites offering antiretroviral treatment (ART) and prevention of mother to child transmission (PMTCT) services, and the introduction of early infant diagnosis (EID). Consequently, the number of people on ART went up by 102% between 2015 and 2018 but remains very low at 17% (31,586) of all people living with HIV.

The OIG also noted that more health facilities are testing and treating for TB. TB treatment coverage increased from 54% in 2015 to 56% in 2017, and the TB treatment success rate was 80% in 2018 (up from 71% in 2015). Also, more people living with HIV are being tested and treated for TB (96% in 2018 compared to 87% in 2017).

The OIG noted that the coverage of intermittent preventive treatment of malaria in pregnancy (IPTp) increased from 32% in 2013 to 57% in 2017. Increased availability and use of rapid diagnostic tests (RDTs) and microscopy provided by the Global Fund and other partners contributed to increased testing for malaria in children under five. Although South Sudan lacks accurate national malaria case-management data, the WHO estimates that malaria mortality decreased by 20-40% in the period 2010-2015, according to the OIG.

Key issues and risks

The OIG identified some key issues in the Global Fund grants to South Sudan:

- Gaps in the risk mitigation actions required to improve data quality and enhance planning and monitoring of interventions;
- Gaps in governance, oversight and partner coordination
- Weaknesses in the internal controls over quantification, financial, and asset management:

We describe these issues in detail in the next section.

Summary of main findings and related agreed management actions

The OIG highlighted five main findings that resulted in an equal number of agreed management actions (AMAs), which we describe after each finding.

1. *Key initiatives aiming to generate quality data not implemented*

The country lacks reliable data to make strategic decisions and measure performance, according to the OIG.

The OIG notes that the PRs and SRs did not implement some key initiatives that the Secretariat designed earlier to generate quality data. For instance, the country postponed the roll-out of the DHIS2 (District Health Information Software), to December 2020. This rollout was planned for December 2017.The OIG noted that the delays were due to inadequate funding and staffing at the Monitoring and Evaluation Directorate; challenges in recruitment and retention in the Ministry of Health (MoH); and delays in the roll-out and delivery of equipment necessary to facilitate the roll out of the DHIS2. The delayed roll-out of DHIS2 contributed to delayed Health Management Information System (HMIS) reports in 2017 and 2018.

The country is also yet to finalize key national-level studies and health surveys, including the AIDS Indicator Survey. Some of those studies have not started while others were not completed. This situation is due to inadequate oversight by the respective national disease programs because of insufficient human resource and budget at the MoH. The country has delayed the completion of the National Monitoring and Evaluation Framework by 18 months.

AMA 1: The Secretariat will support efforts to improve program data availability and quality across the three disease programs, by working with the Ministry of Health and other partners to prioritize completion of the key national surveys and studies, and finalize the National Monitoring and Evaluation Framework for the health sector (due by 31 December).

2. *Insufficient planning, monitoring and limited accountability over bed-net distribution*

The OIG noted that the lack of reliable population data due to the lack of a recent census and the displacement of people has led to difficulties in setting program targets and monitoring performance. Furthermore, the OIG noted insufficient planning and monitoring of the mass campaign for insecticide-treated nets. For instance, the country did not undertake behavioral change and communication (BCC) activities designed to educate users before and during

mass campaigns in 2017 and 2018, and distributed the nets outside the malaria peak season. Also, PSI, which is the PR for malaria, the National Malaria Control Program and the County Health Directorates were only able to execute limited supervision during the mass distribution due to in-country challenges.

In 2017, the Global Fund approved South Sudan's use of flexibilities under the Global Fund's COE policy. However, the OIG noted that the implementers made limited use of some flexibilities in the Challenging Operating Environment (COE) policy due to the lack of clearly defined risk appetite. The flexibilities include those that relate to grant revisions and the performance framework. Otherwise, the malaria PR took full advantage of flexibilities on bed-net distribution and the opportunity to use service providers to support distribution.

AMA 2: The Secretariat, in conjunction with the MoH and PR will:

- Develop a time-bound action plan to improve the quality of future mass campaigns;
- Ensure the LFA undertakes a review of accountability for LLIN distribution across the 2018 mass distribution; and
- To clarify the minimum level of evidence required to support flexibilities in the context of LLIN distribution.

(Due by 31 December 2020.)

3. *Weak internal controls over financial management, procurement, and management of assets*

Although South Sudan grants were better managed than in the past, gaps remain, according to the OIG report. For instance, PSI charges a rate of 7% of Indirect Cost Recovery (ICR) instead of 3% as stipulated in the Global Fund's operational policy manual. ICR are overheads charged by international non-governmental organizations (INGOs) to compensate them for services that their headquarters, regional offices, and/or parent organization provide for grant implementation or oversight. The use of the 7% rate on approximately US$8.3 million of freight and insurance, instead of the 3%, raised the ICR by $300,000 between 2017 and 2018.

The OIG also identified payments without adequate supporting documents and non-competitive procurement practices by PSI and its SRs. The OIG attributed these gaps to inadequate oversight by PSI and limited assurance from the LFA on SR expenditures, which form 35% of all expenditures.

Also, the OIG could not physically verify grant assets under both PRs, worth $340,000 which were recorded in the asset register.

AMA 3: The Secretariat will support the PRs to improve procurement, finance, and asset management controls to safeguard Global Fund investments by ensuring that the PR updates the asset register, and the LFA reviews the fixed-asset register and conducts six-monthly SR expenditure verification reviews (due by 31 October 2020).

4. *Gaps in implementation arrangements, governance, oversight, and partner coordination delayed key activities*

The OIG noted gaps in implementation arrangements, governance, oversight, and partner coordination, which delayed the execution of key activities. For instance, the Global Fund's policy stipulates that the Country Coordinating Mechanism (CCM) should not be funded directly by the PR to preserve the CCM role of oversight and to avoid conflicts of interest. However, in South Sudan, the PR funds some of the CCM's activities (mainly logistics), according to the OIG.

South Sudan faces challenges coordinating the various partners supporting the health sector, which has impacted program effectiveness at the national and state levels, the OIG said. The poor coordination of donors has led to inefficient use of rare resources as parallel commodity distribution, parallel reporting systems, and delayed implementation of some key activities demonstrate.

The OIG also noted that PSI contracted WHO as a sub-recipient during the previous grant cycle, even though PSI has limited capacity to oversee the UN entity. So, PSI was unable to verify financial and programmatic information from WHO or validate completion by WHO of activities with associated expenditures amounting to $1.1 million.

AMA 4: The Global Fund Secretariat will work with the MoH, the CCM, and the critical partners to develop a timebound Stakeholder Engagement and Coordination plan to strengthen the CCM's engagement with partners and other coordination structures, and map donor contributions to key commodities at facility level across the three diseases (due by 30 September 2020).

5. *Poor quantification, forecasting, and supply-chain management led to wastage and stock-outs.*

The OIG noted that South Sudan did not use Global Fund-negotiated pooled procurement prices for commodity forecasting. The PRs do not review the forecast accuracy of health commodities for HIV and TB and adjust them timely. The OIG noted that the gaps in quantification and forecasting contributed to stock-outs and expiries of key commodities.

AMA 5: The Secretariat, in collaboration with the PRs, will help to coordinate Technical Working Groups of the Ministry of Health and improve quantification and forecasting, and strengthen the Logistics Management Information System (LMIS). (Due by 31 December 2020.)

Further reading:

- This audit report, Audit report of Global Fund grants in the Republic of South Sudan, 4 November 2019 (GF-OIG-19-021)
- An Investigation Report, Global Fund grants to South Sudan: Caritas Torit, 5 July 2016 (GF-OIG-16-018)
- Audit of Global Fund grants to the Republic of South Sudan, 5 October 2015 (GF-OIG-15-016)
- Audit of Global Fund grants to Population Services International (PSI) South Sudan, 31 October 2011 (GF-OIG-10-019)

- Executive summary, Audit of Global Fund grants to Population Services International (PSI) South Sudan, 31 October 2011 (GF-OIG-10-019).

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TOP

5. NEWS: Global Fund grants to Malawi need improved financial controls and interventions for adolescent girls and young women, OIG says

Data collection, reporting, and supply chain rated "partially effective"

Adèle Sulcas **17 December 2019**

A second audit by the Office of the Inspector General of Global Fund grants in Malawi has highlighted weaknesses in financial controls within two of the country's three Principal Recipients (Ministry of Health and ActionAid International Malawi), and in the country's interventions for adolescent girls and young women (AGYW), among other issues.

Though progress has been made in strengthening the supply chain, the OIG found that medicines' traceability at lower levels within the decentralized system, and in-country quality assurance, needs further strengthening – a critical issue in a setting where 84% of Global Fund grants is spent on procurement of medicines and other health products. The audit report also pointed out weaknesses in the Secretariat's risk mitigation measures.

At the same time, the OIG acknowledged that the country has made "good progress" in addressing the HIV, TB and Malaria epidemics, with significantly reduced death rates across the three diseases, despite low levels of government funding and a drastic shortage of healthcare personnel.

The OIG gave both the areas of AGYW implementation arrangements and Malawi's fiduciary assurance framework ratings of "needs significant improvement", while data collection and reporting arrangements, and the ability of the supply chain to deliver and account for quality-assured medicines were both rated "partially effective". (The OIG uses a four-tier rating system ranging from the lowest to the highest: Ineffective, needs significant improvement, partially effective, and effective.)
The OIG published the report of the audit of Global Fund Grants in Malawi on 9 December 2019. (The first OIG audit of Malawi took place in 2016.)

The audit covered an 18-month period, from January 2017 to June 2019, and included the four currently active grants (see Table 1 below) as well as four closed grants, all implemented by three Principal Recipients and their sub-recipients. The audit team visited 25 health facilities in five districts within three regions, central warehouses, and one regional warehouse.

Global Fund grants in Malawi

The Global Fund has invested $1.6 billion in grants to Malawi since 2003, with currently active grants amounting to $464 million (see Table 1 below). The Global Fund is the largest donor for TB in the country (36% in the 2018-2021 funding cycle), and the second largest for both HIV (43%) and malaria (41%). Global Fund grants are performing well against targets set in the performance framework – with the exception of indicators related to AGYW, as noted in the summary of main findings below – with indicator achievements of between 98% and 120% for five out of seven key indicators, across all three grant components.

Table 1: Malawi's active Global Fund grants at the time of the OIG audit

Principal Recipient	Grant Number	Component	Grant Period	Signed amount (USD)
Ministry of Health	MWI-C-MOH	TB/HIV	Jan 2018 to Dec 2020	369,229,296
ActionAid International Malawi	MWI-C-AA	TB/HIV	Jan 2018 to Dec 2020	29,376,543
Ministry of Health	MWI-M-MOH	Malaria	Jan 2018 to Dec 2020	25,153,571
World Vision Malawi	MWI-M-WVM	Malaria	Jan 2018 to Dec 2020	40,278.420
Total				**464,037,830**

Source: OIG audit 9 December 2019 (report number GF-OIG-19-024)

Malawi country context

Malawi is classified as a 'high impact' Global Fund country, with a very large portfolio and a mission-critical disease burden. Malawi has one of the highest HIV-prevalence rates globally, with 10.3% of the population living with HIV. In terms of UNAIDS' target 90-90-90 framework, and UNAIDS estimations, 90% of Malawi's HIV-positive population know their status, of whom 79% are on treatment for HIV, of whom 87% are virally suppressed. (According to the Global Fund's Progress Update and Disbursement Report for July-December 2018, which used a different timeframe, 76% of the people living with HIV who know their status are on treatment.)

Malawi is a low-income country with a population of 19 million, a ranking of 171 out of 189 countries in the UNDP Human Development Index (2018), and a ranking of 148 out of 160 in the UNDP Gender Inequity Index (2018).

Audit objectives and summary of main findings

The audit's objectives were to assess the adequacy and effectiveness of: measures to enhance supply chain-management systems for quality-assured medicines and health products; implementation arrangements focusing on data collection and reporting; implementation arrangements for interventions targeting adolescent girls and young women (AGYW) and at community level; and the fiduciary assurance framework and anti-fraud measures.

The OIG highlighted four main findings that resulted in five agreed management actions (AMAs), which we summarize after each finding. (For the complete Table of Agreed Management Actions, see page 22 of the audit report.)

4.1 Progress made in strengthening supply chain, but more effort is required in improving medicines' traceability at lower levels and in-country quality assurance.

Malawi's health procurement is managed through the Global Fund's Pooled Procurement Mechanism (PPM) and the Global Drug Facility. While the audit found that health products supported by the Global Fund are "generally available" at service delivery points, improvements are needed in the traceability and quality assurance of medicines, and in the management of expiries (expired medicines are not routinely collected from nearly three quarters [72%] of the health facilities the audit team visited).

Traceability has improved at central levels, but "gaps remain at the district health office and health facility levels (example: 24 of 25 health facilities visited had "significant variances" between stock issued from the main store, quantities dispensed, and remaining stocks). The OIG found the main cause of limited traceability at lower levels to be a lack of adherence to proper documentation practices.

In addition, the OIG found that improvement is needed in systematic in-country quality testing of medicines and health commodities. Despite resources provided in Global Fund grants for Malawi to outsource quality testing to WHO pre-qualified laboratories, external providers' delays in testing medicines as well as delays in funds disbursement from the MoH's Project Implementation Unit (among other events) have undermined the country's quality-testing systems' setup. The Global Fund has been supporting Malawi (since a grant from the previous implementation period that is now closed) to obtain ISO accreditation to perform in-country testing of medicines.

AMA 1: The Global Fund Secretariat, in coordination with partners, will support the Ministry of Health to develop and implement supply-chain strengthening functions, including a strong focus on action plans relating to accountability of medicines and managing expiries at district and health-facility level, revision and implementation of speficic actions towards ISO accreditation to perform in-country testing of medicines, and a roadmap for health supply-chain integration beyond December 2020. (Owned by Head of Sourcing and Supply Chain; due 31 December 2020.)

4.2 Good quality HIV and TB data at facility level, but inaccuracies in malaria data

In-country data systems and supervision have improved data quality at the health facility level, the audit report says, with HIV and TB data generated at health facilities considered accurate, but malaria data needs major improvement. Variances between source documents and results reported to the Fund for all three sampled indicators were noted in 22 of the 25 health facilities visited (88%): reported confirmed malaria cases were 28% higher than the underlying records; treated malaria cases were overstated by 29% in figures reported to the Fund; and suspected malaria cases were overstated by 13%. The remaining three facilities

could not provide registers for their reported results because of improper filing, or registers having been burnt in a fire outbreak at the health facility.

The OIG report emphasizes that the absence of accurate data risks affecting the quality of decision-making at both country- and Secretariat levels. It attributes data inaccuracies across the selected indicators to be due to human-resource capacity gaps, inadequate supervision arrangements in the malaria program (biannual supervision at only 10% of the country's total facilities), multiple data systems with limited "interoperability", and limited coordination and accountability for community-level data.

AMA 2: The Global Fund will support the Ministry of Health in their work with partners to develop a roadmap for "practical interoperability" of existing data reporting systems, and to revise the exisiting in-country data validation process to increase the focus on malaria and community-level data. (Owned by Head of Grant Management, due by 31 December 2020.)

4.3 Weaknesses in design and implementation of interventions targeting adolescent girls and young women

Though Global Fund grants in Malawi began AGYW interventions during the 2015-2017 funding cycle, aiming to reduce young girls' and women's vulnerability to HIV infection. Some of the program's key components are either not adequately defined, the OIG says, or are not effectively implemented by ActionAid, the PR for this program. An example of the poor definition: the curriculum for program beneficiaries is designed to be completed within one year, but 77% of beneficiaries have been on the program since it began three years ago, because there are no clear metrics on when existing beneficiaries graduate and when new members are recruited.

Weak supervision underlies lack of proper implementation of defined components; though there is a defined referral mechanism to ensure that program beneficiaries are linked to services at health-facility level, none of the sub-recipients sampled by the audit team has used the referral process. The report describes, as one example, cases of HIV-positive girls and young women not being referred for antiretroviral treatment initiation at health facilities, and as another, some program beneficiaries who did not know their HIV status but were not referred for HIV testing.

It is also difficult to measure the performance of the activities that have been put in place, the OIG report says, because of weaknesses in the indicators and poor data quality.

AMA 3: The Secretariat will review the design of the program including implementation arrangements and institute measures to improve the execution and monitoring of AGYW activities – in addition to the ongoing measures to strengthen the AGYW program. (Owned by Head of Grant Management, due by 30 September 2020.)

[Editor's note: though not explained in the OIG report, the Global Fund and other partners are in the process of streamlining the design and implementation of the AGYW program, including greater support to the implementer from an AGYW specialist on the portfolio.]

4.4 In-country financial management controls and Secretariat risk-mitigation measures need improvement

The OIG report discusses two main topics within financial management controls and Secretariat risk mitigation measures: (i) Weak in-country controls over procurement and contract management at the Ministry of Health and ActionAid; (ii) Weak processes for payment of travel-related costs at the MoH (travel costs represent 40% of in-country disbursements). World Vision, a PR that is responsible for 8.6% of Global Fund grants in Malawi, has adequate financial controls and anti-fraud measures, the OIG said, with satisfactory controls over its procurements.

The audit report concludes that the procurement and contract management issues are caused by weak financial oversight, and "gaps in effectiveness of the Global Fund's risk mitigation measures". The MoH and ActionAid do not have effective internal mechanisms, the OIG says, that routinely review procurement and financial transactions, and when reviews are performed, their recommendations are not effectively followed up and implemented by the MoH. On risk mitigation, though the Global Fund installed a fiscal agent as a mitigation measure, recognizing the high financial risk at the MoH, the country team did not adequately align the fiscal agent's and the Local Fund Agent's roles to the risk levels. Finally, the OIG says, anti-fraud measures need strengthening; World Vision and ActionAid have documented policies and processes to manage fraud, but only World Vision has assessed its anti-fraud activities and put preventive measures in place. The MoH and ActionAid still need to do this, and a fraud specialist should be included in the fiscal agent team now housed in the MoH, the report says.

AMA 4: The Secretariat will review and tailor assurance providers' scope of work to enhance due diligence and oversight of procurement and contract management activities at the MoH and ActionAid, and will realign the financial risk assessments, mitigation measures and assurance plans for both those PRs. (Owned by the Chief Finance Officer, due by 30 June 2020.)

AMA 5: The Secretariat will accelerate the progress of financial management strengthening activities for the MoH (as part of the CO-LINK initiative), be developing a comprehensive action plan to structure the implementation and monitoring of capacity-building activities, to improve and sustain the PR's financial controls under the oversight of the fiscal agent. (Owned by the Chief Finance Officer, due by 31 December 2020).

Further reading:

- This audit report, 'Global Fund Grants in Malawi', 9 December 2019 (GF-OIG-19-024)
- The 2016 audit report, 'Audit of Global Fund Grants to Malawi', 11 October 2016 (GF-OIG-16-024).

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6. NEWS: Global Fund Executive Director calls for increased domestic investments in health at ICASA meeting in Rwanda

Peter Sands challenges countries to raise resources for the three diseases by 48%

Ann Ithibu **17 December 2019**

Peter Sands, the Executive Director of the Global Fund, called on implementing countries in the African region to increase domestic investments towards the three diseases, at the 20th International Conference on AIDS and Sexually Transmitted Infections in Africa (ICASA) held in Kigali, Rwanda from 2 to 7 December. The conference's main theme was an AIDS-free Africa through innovation, communities and political leadership. The call for increased domestic funding comes after a successful Sixth Replenishment, which saw the Global Fund raise $14 billion for the 2020-2022 funding cycle.

While sharing the Global Fund's perspective on sustaining gains in the AIDS response, in a panel session on that subject convened by the Joint United Nations Programme on HIV/AIDS (UNAIDS), Sands underlined the importance of increased domestic spending towards the AIDS response. He noted that there were two types of targets set out in the Investment Case for the Sixth Replenishment. First, the Global Fund had an overall target of raising $14 billion, which represented a 15% increase from the previous replenishment cycle. Second, the Global Fund projected that implementing countries would need to raise $46 billion in domestic resources for the three diseases over the 2021-2023 grant implementation period through their co-financing commitments; the $46 billion represents a 48% increase from the 2018-2020 implementation period. "Both need to happen if we are to sustain and step up the fight against HIV successfully", said Sands.

Indeed, the Global Fund achieved the 15% increase targeted in the Investment Case. Sands remarked that the increase is "evidence of the sustainability of the international commitment to sustain the fight against HIV" and urged implementing countries to also raise their contributions to the three diseases. Sands noted that even though the 48% increase seems like a "stretch", implementing countries had achieved a similar feat in the current 2018-2020 implementation period when they raised their contributions to the three diseases by 46% from the 2015-2017 period.

"We will certainly use our increase [the 15% increase achieved in the Sixth Replenishment] as leverage in our negotiations with governments around what they need to do to step up in partnership with us," he said. Negotiations will go beyond finances and will emphasize changes in policies, such as those on user fees, or removing legal barriers to accessing services by key populations, he added.

Key recommendations for increased domestic investments

Sands shared a few recommendations on raising domestic investments on health during the UNAIDS session as well as during one of the conference's plenary sessions:

First, countries need to step up their fiscal mobilization efforts. Most countries are not raising nearly enough (in taxes) from their own people, he said. A 2019 IMF working paper on tax revenue mobilization in low-income countries noted that low-income countries collect only

16% of their GDP from taxes as compared to 26% by advanced economies. Sands pointed out that the goals of ending the epidemics of the three diseases cannot be achieved via out-of-pocket expenditures or the private sector alone, but require sustained financing by government. He remarked on the need for African countries to build resilient and effective tax collection mechanisms.

The new Executive Director of UNAIDS, Winnie Byanyima, speaking on the same panel, said she was perturbed by the reduction in health spending by some African countries, including Kenya and Zambia, at the expense of debt servicing. Byanyima cautioned against the reliance on indirect taxes – i.e. taxes on goods and services - which is "twice as harmful [for] poor people". She stated that poor people end up paying more taxes via this mechanism, and yet the taxes generated are still not enough to guarantee them quality services.

Instead, Byanyima recommended that countries strengthen the collection of corporate tax. She noted that harmful tax practices, such as companies investing in countries with the expectation of receiving tax exemptions, erode national tax bases and push countries to rely more on indirect taxes. Byanyima asserted that if countries were to cut down on tax exemptions, the resulting increases in tax revenues would be enough, in some countries, to finance the entire health budget.

The second recommendation by Sands was to increase the proportion of money apportioned to the health sector. In reference to the Abuja Declaration of 2002, where African Heads of States committed to spending at least 15% of total government spending on health, Sands noted that only a few countries meet this target. In fact, only Madagascar and Sudan met the 15% target in 2018, according to the African Union's Africa Scorecard on domestic financing for health. "If we really want to get to Universal Health Coverage (UHC), 15% should be the minimum," he said. "UHC is not a cheap option, but it is a brilliant one," he added. He noted that developed countries spend a higher proportion of their total government spending on health.

The third recommendation is that the money needs to be spent on the right programs. Sands commended Rwanda as one of the few countries that have really put a lot of focus on primary health care (PHC). He noted that efficiency in allocating funds, observed across many countries, indicates that countries are not spending health-care resources on the right programs. In some countries, he said, money is being spent on the needs of the elite rather than on those who are most vulnerable.

The fourth recommendation is on the efficient utilization of resources. Sands noted that most health-care systems are wasteful. 'Wasteful' can range from services or processes that are either harmful or do not deliver benefits, or costs that could be avoided by introducing cheaper alternatives with identical or better benefits. Indeed, the World Health Organization (WHO) in 2010 estimated that 20-40% of health care resources are wasted. Sands called for improved transparency in the use of health resources, reducing opportunities for corruption, and improved accountability.

Lastly, the resources need to target populations that are most in need, including those that are marginalized, criminalized or most at risk. He noted that governments need to work with civil society, who are a key stakeholder, not just on advocacy, but also in providing services to communities.

Private sector can bring innovation and technical expertise

Sands acknowledged the critical role of the private sector in the fight against the three diseases and in strengthening health systems. For instance, he noted that the private sector contributed more than $1 billion towards the Global Fund's Sixth Replenishment. This amount represents the highest-ever private sector contribution to the Global Fund since its inception. The Global Fund has also entered into partnerships with private sector organizations to help solve critical challenges by using innovative finance and mobile and digital technology.

However, Sands cautioned against the commonly-held perception of the private sector as a "knight in shining armor" noting that countries cannot build a sustainable health-financing system based on corporate philanthropy. Sands asserted that the biggest role the private sector can play is in the creation of jobs that in turn build the national tax base. Overall, the private sector offers innovation, capacity and infrastructure that could go much further in supporting the achievement of national health objectives.

The article does not include discussions that were held at a special session of the Annual Leadership Meeting - Investing in Health, where Peter Sands participated in a panel discussion. The theme of the session was to promote, at the Africa Leadership Meeting, an increase in domestic financing for health. The Annual Leadership Meeting - Investing in Health is an initiative by the African Union aimed at increasing commitments for health, improving the impact of spending and ensuring the achievement of universal health coverage across African states. The Global Fund Observer will report on this in subsequent issues.

Further reading:

- The Global Fund Investment Case: Sixth Replenishment 2019
- International Monetary Fund (IMF) Working Paper. Case Studies in Tax Revenue Mobilization in Low-Income Countries, May 2019

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7. OF INTEREST: News for and about the Global Fund partnership

Aidspan staff **18 December 2019**

5% INITIATIVE LAUNCHES CALL FOR MALARIA PROPOSALS

The French 5% Initiative launched, on December 11, a call for proposals with the theme 'Improving the malaria response in the greater Sahel and Central Africa regions'. The proposal forms part of operational research the initiative undertakes every year in order to improve disease interventions and update available knowledge about HIV/AIDS, TB and malaria. The closing date for applications is 20 January 2020.
See the 5% Initiative website for details and the downloadable application kit…

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WORLD MALARIA REPORT 2019

The World Health Organization launched its 2019 World Malaria Report on December 4, 2019, providing a comprehensive update on global and regional malaria data and trends. The report, which includes sections on investments, research, and progress across areas of intervention, is based on data from more than 80 countries and areas with ongoing malaria transmission. In 2018, an estimated 228 million cases of malaria occurred worldwide, compared to 251 million cases worldwide in 2010. Of the 228 million last year, 93% (213 million) occurred in the WHO Africa region, 3.4% in the South-east Asia region, and 2.1% in the Mediterranean region. Together, 19 countries along with India bore almost 85% of the global malaria burden, with just six countries accounting for half of the global malaria burden: Nigeria (25%), Democratic Republic of Congo (12%), Uganda (5%), Cote d'Ivoire (4%), Mozambique (4%) and Niger (4%).

The RBM Partnership to End Malaria also published a World Malaria Report toolkit primarily designed for immediate social media use but whose content is still relevant for ongoing advocacy.

See the WHO website for the full news release and downloadable report ...

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'NAVIGATING THE GLOBAL FUND'S 2020-2022 ALLOCATIONS CYCLE' – FOR GENDER ACTIVISTS AND ADVOCATES

The gender advocacy group Women4GlobalFund (W4GF) distributed at the end of November a guide for applicants for Global Fund funding in the new allocations cycle that aims to help position gender issues prominently in applicants' proposals. The 13-page guide, in PDF form, was distributed by email through the Global Fund Advocate Network. It is intended for W4GF advocates and other gender-equality activists aiming to influence their countries' funding requests for the Global Fund's 2020-2022 allocation to ensure gender-transformative programming.

This is a potentially valuable resource for countries, especially in light of the allocations letters to countries' emphasis on (among other issues) the importance of removing human-rights- and gender-related barriers to accessing services. (See separate article in this edition on the Allocations letters to countries.) The document is rigorously structured in three sections that detail (1) what to know in advance, (2) where and how to be involved, and (3) additional suggestions and observations that advocates might consider in order to influence Global Fund programs.

See the W4GF website to download the PDF guide for W4GF advocates…

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8. MESSAGE TO READERS: Season's greetings from Aidspan and the Global Fund Observer

Happy holidays to our readers and supporters

Isaac Awuondo **18 December 2019**

As 2019 and this decade come to an end, I would like to wish all our readers and supporters a peaceful, restful holiday season and a promising start to 2020, on behalf of Aidspan and the Global Fund Observer. In this year that begins the next Global Fund allocations cycle (2020-2022), we look forward to continuing to bring you relevant and up to date Global Fund-related news, insights and analysis.
This edition of the GFO will be our last for 2019. We will publish our next edition on January 15, 2020.

Isaac Awuondo is the Chair of Aidspan's Board of Directors.

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This is issue #370 of the GLOBAL FUND OBSERVER (GFO) Newsletter. Please send all suggestions for news items, commentaries or any other feedback to the GFO Acting Editor at adele.sulcas@aidspan.org. For issues relating to Francophone countries or the French edition of the GFO, the Observateur du Fonds Mondial (OFM), please contact OFM Editor Christelle Boulanger at christelle.boulanger@aidspan.org. To subscribe to GFO/OFM, go to www.aidspan.org.

GFO Newsletter is a free and independent source of news, analysis and commentary about the Global Fund to Fight AIDS, TB and Malaria (www.theglobalfund.org).

Aidspan (www.aidspan.org) is a Kenya-based international NGO that serves as an independent watchdog of the Global Fund, aiming to benefit all countries wishing to obtain and make effective use of Global Fund resources. Aidspan does not fund any other organizations. Aidspan finances its work through grants from foundations and bilateral donors. Aidspan does not accept Global Fund money, perform paid consulting work, or charge for any of its products. The Board and staff of the Global Fund have no influence on, and bear no responsibility for, the content of GFO or of any other Aidspan publication.

GFO Newsletter is now available in English and French. The French-language edition becomes available within one week after the publication of the English edition.

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