



Independent observer  
of the Global Fund

## SIGNIFICANT IMPROVEMENT NEEDED IN GLOBAL FUND GRANTS TO SOUTH AFRICA, OIG FINDS

On 19 July 2017, the Global Fund published an [audit report](#) by the Office of the Inspector General (OIG) on grants to the Republic of South Africa. The country is part of the Fund's High Impact Africa 1 portfolio and has \$312 million in signed grants for the implementation period April 2016 to March 2019. South Africa has an estimated adult HIV prevalence of 19.1% and is home to 7.1 million people living with HIV – the highest number in the world. South Africa's TB incidence is 454/100,000 population, ranking it among the six countries which account for 60% of all new cases (India, Indonesia, China, Nigeria, Pakistan and South Africa).

Importantly, the audit did not identify any misuse of funds or fraud.

The audit found that significant improvement is needed in the overall delivery of the program, citing weak data and monitoring systems as well as coordination among the principal recipients (PRs) as key risks. South Africa's HIV and TB grants are currently being implemented by eight PRs, three from government and five from civil society (see [GFO article](#)). The timing of the audit and new implementation arrangements help explain the [OIG's](#) top-line finding. The audit was performed just nine months into grant implementation, with three of the PRs being new. Indeed, the [OIG](#) asserts that it is premature to conclude on the effectiveness of the current grant program, noting that its rating only concerns the design of the program activities and the implementation approach.

Specifically, the report points out that programs are not always being implemented in line with the concept note, which the Technical Review Panel deemed sound and high-impact. For example, at the time of the audit, one PR had reallocated \$2.7 million originally earmarked for supplementary nutrition to travel and other related costs. Approval was not sought from South Africa's country coordinating mechanism (CCM),

nor were alternative arrangements made for the 18,000 TB patients who require supplementary nutrition to support their adherence and retention on treatment.

Similarly, the OIG report notes that several PRs have reduced geographic coverage targets from those specified in the concept note, also without seeking CCM approval. The adherence program was reduced from 31 to 21 districts and the stigma program was reduced from 18 to six districts.

According to the CCM Secretariat, changes in district coverage for the stigma program were due to the fact that specific costs of the program were not available at the time of grant-making. For the adherence program, the exact implementation support required by health facilities was not yet clear during grant-making because the national adherence guidelines and related standard operating procedures had only just been completed. As a result, targets for implementation were yet to be set by the districts, affecting the selection of sites for the Global Fund grant.

Other key findings on the TB program include delayed implementation of program activities, such as reaching inmates with a comprehensive package, identifying services providers for community mobilization, and training lay counsellors to provide adherence support. Further, the OIG notes that the training of nurses to be able to initiate multidrug-resistant TB treatment had not started at the time of the audit (December 2016), although the country has since confirmed that 88 nurses were trained between January and March 2017.

As part of its planned actions in response to the audit, the South African CCM intends to define thresholds, or “trigger points,” which will clearly articulate when changes to budgets or targets must be brought before the CCM for approval.

“Having clearly defined information sharing and approval requirements will help the CCM perform its oversight role more effectively,” says Nevilene Slingers, Executive Manager for Donor Coordination at the South African National Aids Council (SANAC) and head of the CCM Secretariat. Slingers also told Aidspan that from 18-20 July 2017, the South African CCM completed a formal CCM orientation, taking its members through the Global Fund’s new mandatory training package (see [GFO article](#) ).

“This training has helped to address some of the ambiguity around CCM roles and responsibilities that the OIG raised,” said Slingers.

The OIG also notes significant delays in several program areas, threatening the country’s ability to meet its grant performance targets. For instance, aspects of a geospatial mapping exercise to define responses in HIV “hotspots” are delayed by at least six months. SANAC’s business case for establishing a [social impact bond](#) for sex workers, an innovative finance mechanism designed to raise additional funding, has not yet been approved by the relevant government department. Data from the TB prevalence survey is unlikely to be available in time to guide implementation of the current grant.

Implementation delays may affect more than the ability to reach targets because of the Global Fund’s new “no carry over” rule for unused funds. Any money that is not spent within the grant timeframe must be returned to the Secretariat. Previously, countries were able to roll over savings into the next implementation period.

To mitigate challenges, the OIG suggests there is a need for integrated national plans on the part of the government and development partners to guide the design and geographic prioritization of activities targeting key and vulnerable populations. South Africa already has a [National Sex Worker HIV Plan \(2016- 2019\)](#). Since the OIG audit, the country has also published a [National HIV Framework for Lesbian, Gay, Bisexual, Transgender and Intersex populations \(2017-2022\)](#) – touted as a world first.

The Global Fund Secretariat is committed to supporting the country in accelerating implementation. As an example, the OIG report notes the Secretariat's agreed management action to support the updating of the business case for the social impact bond to address issues and risks identified by the Department of Science and Technology.

Difficulties in measuring grant performance is another issue flagged by the OIG, citing weak monitoring tools and a multiplicity of uncoordinated data systems as part of the problem. Given that many of the interventions in South Africa's grant are new, good quality data to assess their impact is particularly important. The OIG notes that the absence of a monitoring and evaluation plan under the 2012-2016 National Strategic Plan (NSP) for HIV/TB/STI is an underlying cause, though this is outside of the control of the Global Fund program. For the country's current NSP (2017-2021), a monitoring and evaluation plan is now being developed.

### Coordination challenges

Along with delays, the OIG indicates that coordination challenges at multiple levels pose risks to effective program delivery. Coordination between national and provincial AIDS councils, among various government departments, across multiple funding partners and among the multitude of Global Fund implementers are all noted to affect grant synergy.

"As a PR, we are acutely aware of the coordination challenges in the current Global Fund grants, particularly for the young women and girls program," said Marieta de Vos, Program Director with the Networking HIV & AIDS Community of Southern Africa (NACOSA). Interventions targeting young women and girls are being implemented by six different PRs, creating extra layers of complexity for delivering a standardized package of care, de Vos told Aidspace.

"There are also continued efforts needed to ensure complementarity between the national young women and girls campaign – ["She Conquers"](#) – the Global Fund program, [PEPFAR's DREAMS](#), and other investments from partners like KfW and Elma Philanthropies, as well as the relevant government departments" said de Vos.

In April 2017, the Office of the Presidency convened a high-level meeting to address some of the coordination issues with national young women and girls programming. Those present in the meeting agreed to conduct an activity mapping of donors and service providers reaching this population and to engage with provinces and districts to ensure alignment between national policy and provincial implementation. This high-level group will continue to meet, alongside the quarterly coordination meetings for the Global Fund young women and girls program.

### Agreed management actions

The OIG report also spells out a number of management actions agreed to by the Global Fund Secretariat to support improved grant implementation. Specifically, the Secretariat has committed to:

- develop revised budgets and implementation arrangements for the remaining duration of the grants to improve the availability and quality of TB and drug-resistant TB services;
- support the PRs in the development of quality standards for adolescent girls and young women and in revisiting the work plans;
- roll out a revised consolidated performance framework for interventions related to adolescents and young people in and out of school; and
- strengthen oversight by the CCM.

Despite the above-mentioned challenges, the OIG report highlights some key achievements and good practice emerging out of the Global Fund's grants to South Africa. The OIG notes that the Global Fund program is evidence-based, aligned to the country's national strategic plan, and strategically targeted at reaching key and vulnerable populations, including sex workers, men who have sex with men and adolescent girls and young women. The OIG also lauds the South African government's strong financial commitment to the response: Domestic funding accounts for 80% of total HIV resources in the country. South Africa relies on the Global Fund for just 5% of its HIV and TB response.

"South Africa is a world leader in the fight against the diseases and the Global Fund provides catalytic investments in critically important areas," said Seth Faison, Head of Communications at the Global Fund. "Many of these programs are new and require strong leadership and effective coordination. As in all new interventions, changes are made as lessons are learned."

Faison told Aidspace that the Global Fund is already working with partners to address coordination and governance as well as programmatic assurance challenges identified by the OIG.

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