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NEW TERG REVIEW OFFERS WINDOW INTO CHALLENGES INHIBITING IMPACT IN WORLD'S MOST FRAGILE STATES

The Global Fund's technical evaluation reference group (TERG) has endorsed recommendations contained in a [thematic review](#) of engagement in fragile states as the basis for a new framework for a flexible, country-by-country approach to providing support for the fight against AIDS, TB and malaria.

Some \$1.4 billion in Global Fund support was disbursed in 2010 to 47 countries categorized as fragile, according to the Organization for Economic Cooperation and Development. However, grants in fragile states perform universally less well than grants in other countries in the same region, giving impetus to the need to improve performance in the fragile states in order to achieve the Fund's goals.

Aggregated data show a clear correlation between state fragility and health service coverage, with fragile states performing less well on access to treatment with antiretroviral therapies and diagnostic and detection services for TB. Equally, the global malaria burden is increasingly concentrated in fragile states.

The report, which included case studies from nine countries where the Fund supports program implementation, referred to the "constraints associated with the Global Fund model"; the Fund's initial neglect of state fragility; and the attendant weaknesses of health systems in fragile countries.

Among the constraints enumerated by the report's authors are a limited ability to analyze and monitor changing contexts on the ground due to a shortage of country-based staff and limited travel by country teams; heavy requirements for low-capacity CCMS; and a limited ability to adapt existing grants to changing circumstances.

The report identified other hurdles confronting the Global Fund and its implementing partners, including:

- Monitoring and evaluation: there is a “lack of evidence on the effectiveness of the various approaches” to operating in fragile environments, necessitating a more systematic adoption of “on-going learning” and better reporting
- Migration: the Fund’s model was not set up to respond to acute emergency situations with cross-border migration and does not take full advantage of the experience of some of its key partners in responding to such situations
- Reliance on governments and NGOs as principal recipients: multilaterals in fragile states typically demonstrate better performance as PRs
- Counterpart financing: in countries in crisis, finding budgets to even sustain existing primary health systems for basic health service delivery is difficult
- Operational risk management: need for a wider adoption of the existing qualitative risk assessment, action planning and tracking (QUART) tool, which considers fiduciary, programmatic, governance and health service risks

“International experience of engaging in fragile states suggests that a ‘one size fits all’ response is inappropriate,” the report concluded. “Responses need to be tailored, taking into consideration the politics, economics, partners, history and capacity of systems in those countries.”

One recommendation for the Fund is to consider adopting new terminology when developing strategies for operations in fragile states.

Using the term challenging operating environment (COE) will allow the Fund to develop a flexible approach to those countries that present operational challenges and risks that can contribute to poorer grant performance.

The report suggests that a country be considered to be in a COE if it manifests at least two of the following conditions:

- Weak governance (typically including state failure, weak institutions, low capacity, low will and high corruption, violations and uneven protection of human rights)
- Poor access to health services and weak health systems
- Higher than average portfolio burden of disease
- Complex emergency (conflict)
- Humanitarian crisis (acute or chronic)

Using this approach, the Global Fund has identified 19 COE countries, the majority of which are classified as Very High Alert or High Alert by the [fragile states index](#) due to their emergence from, or ongoing, acute crisis. (See the table below for a list of countries.)

Countries identified as Challenging Operating Environments (COE)	
1. Chronic instability with weak systems	Afghanistan, Central African Republic, Chad, Democratic Republic of the Congo, Guinea, Guinea Bissau, Haiti, Somalia, South Sudan

2. Chronic instability with stronger systems	Côte d'Ivoire, Iraq, Nigeria, Pakistan, Sudan, Yemen, Zimbabwe
3. Acute instability	Egypt, Mali, Syria

The new funding model (NFM) has shown itself initially adaptable to operations in chronically unstable environments as it builds in a degree of flexibility to tailor support and management arrangements. Other elements of flexibility that have been applied under the NFM include a suspension of counterpart financing responsibilities for countries in crisis.

These flexibilities have already been applied to some degree in the new disposition of the Fund to support humanitarian situations. The current crisis in Central African Republic (see articles [here](#) and [here](#)) is one such example of a flexible approach, tailored to the deteriorating situation on the ground and reflecting the realities of those leading operations in the health sector.

Lessons learned from the CAR scenario can be applied to other COE countries, including assurances that grants are designed simply and flexibly, to be implemented by partners who are competent without any need for capacity building to meet minimum standards. A flexible procurement process with an iterative supply chain will also help to ensure that commodities reach the right places at the right time.

The report also included an assessment of the experience of Chad: one of four francophone countries included as case studies along with CAR, Côte d'Ivoire and Democratic Republic of Congo. All of the case studies emphasized the vital need for Global Fund documents — including contracts — to be made available in French as well as English. Placing the Chad program under the Fund's [additional safeguard policy](#) has helped to mitigate severe performance concerns, high fiduciary risk and challenges to financial tracking and audit.

Also included as case studies were Myanmar, Pakistan, South Sudan, Syria and Yemen.

The thematic review was presented to the strategy, investment and impact committee (SIIC) during its June meetings with an endorsement from the TERG that the recommendations contained within be adopted. The TERG is also endorsing more strategic targeting of resources to fragile states to ensure that successful program implementation is possible, even in the most fragile of states.

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