



Independent observer
of the Global Fund

Independent research in Eastern and Southern Africa identifies opportunities to improve effectiveness of Global Fund processes

Global Fund support is essential to saving lives and strengthening health systems, particularly in Eastern and Southern Africa, and therefore understanding how countries plan for, receive and invest this support is critical to ensure that such investments achieve the greatest impacts. In-depth analyses of these issues in the region are few. However, a new report recently published by the Health Economics and HIV and AIDS Research Division of the University of Kwazulu-Natal – [‘Conducting Exploratory Research on Global Fund Processes in Malawi, Tanzania and Zimbabwe’](#) helps to fill this gap.

The Global Fund’s funding cycle involves a number of processes that countries have to go through to obtain and manage financial support. The effectiveness of these processes continues to be questioned as countries move to evolve their country coordinating mechanisms (in keeping with the launch of the evolution process across the GF portfolio) and, at the same time, seek sustainability for their disease programmes. The three country case studies that form the basis for this synthesis report were commissioned by the Bill & Melinda Gates Foundation.

The Foundation selected these countries — Malawi, Tanzania and Zimbabwe — because they are among the top five with the largest Global Fund grants and are also priority countries for the Gates Foundation’s initiatives for improving the impact of HIV programmes in Africa. The case studies highlight where country support is working to help accelerate results and where there may be opportunities for improvement by ‘rethinking’ certain aspects of Global Fund structures and processes.

“One of HEARD’s priorities is examining issues of sustainable financing for health programmes, hence it was important for us to conduct this research given the importance of these investments to HIV responses in the region,” said Russell Armstrong, lead author of the report. During 2017, these three countries

received some of largest funding GF allocations for HIV programmes, ranging from \$300 to \$400 million for the 2018-2020 period.

HIV treatment still consumes most resources, leaving prevention underfunded

As elsewhere, these three countries prioritise HIV treatment as the way to reduce new HIV infections while keeping people living with HIV alive. This approach is almost exclusively financed by external sources, especially by the Global Fund, and treatment-related resource needs now take up almost all of the three-year funding allocations for HIV in these countries. This leaves little – if any – latitude for considering increased investments in other important components of HIV responses, notably prevention. This approach in many respects predetermines the functioning and outcomes of Global Fund processes, particularly country dialogue and the development of funding requests. The report goes on to say that, if more attention and resources are not focused on prevention, this raises questions about the relevance and effectiveness of these processes for HIV reduction and eradication.

Although in the three countries the annual number of new HIV infections has been declining, the numbers still ranged from 40,000 to 65,000 in 2016, meaning that the demand for HIV treatment still increased. According to UNAIDS, new infections from key populations (predominantly men who have sex with men (MSM) and sex workers) accounted for 16% of the total for East and Southern Africa in 2017; and the majority of new infections is still among adolescent girls and young women.

HIV prevention and treatment may become more expensive to implement

The report notes the continuing negative attitudes of governments and the general public in all three countries towards some population groups. There has been no shift in the criminal laws affecting population groups with the highest HIV burdens, particularly MSM, sex workers and people who inject drugs. Indeed, recent developments in Tanzania show increased establishment-generated hostility towards these groups, especially MSM, which will only make HIV prevention and treatment more difficult and expensive to implement.

‘Vertical’ operations add cost and complexity to grant implementation

On the administrative side, Global Fund programmes continue to be largely vertical in nature, with separate financial and programmatic management structures and reporting systems that operate for the most part outside the established, decentralised health and community systems. The report says that this increases grant implementation costs and inhibits integration and sustainability; in turn this adds complexities that contribute to under-utilisation of funds and missed opportunities to shift Global Fund resources towards under-funded priorities such as HIV prevention. In Zimbabwe, for example, 10% of the \$400 million was allocated for programme management but only 1.7% was earmarked for prevention. Adding to the complexity and costs in Malawi and Zimbabwe have been government financial management and oversight challenges that have necessitated the introduction of additional risk mitigation measures: an externally contracted fiscal agent in Malawi and an interim PR, UNDP, in Zimbabwe. For the 2015-2017 grants, this meant that funds were managed using systems that were entirely separate from the national systems and processes for financial management of other health sector funds.

Another factor negatively affecting grant performance and fund absorption, the report says, is technical capacity. Even after many years of investment, challenges remain in human resources for health, financial management and systems, health management information systems, procurement and supply management, and monitoring and evaluation. These challenges are reflected in the CCMs which still have insufficient technical capacity to perform their grant oversight roles. Although the report does not specifically state it, this insufficiency contributes to weak governance and accountability.

The report suggests that some opportunities to invest in local capacity are being overlooked. For example, representatives from key population constituencies were closely involved in country dialogue and funding request development and, through their involvement in providing important technical content, made contributions to the success of submissions; but they do not substantively benefit from Global Fund resources once grant implementation arrangements are determined.

Relevance and effectiveness of Global Fund processes

In keeping with the report's title, the longest section deals specifically with the relevance and effectiveness of Global Fund processes. Those processes were found to be broadly inclusive and participatory, with key population constituencies more visible than in previous funding cycles. But processes for decision-making on what was included in funding requests were not always clear or well communicated to all participants, the report says, and constituencies raised concerns about transparency. This is reflected in the long lists of 'priorities' developed by participants during the country dialogue process, very few of which found their way into funding requests.

The heavy reliance on external funding may account for the report's finding that, in each country, funding-request development was dominated by a small group of technical consultants and technical partners despite the presence of larger writing teams organized to prepare the funding requests. Reprogramming occurs in all three countries but, when undertaken late in the grant implementation cycle, it raised the risk of unspent funds remaining at the end of the 2015-2017 current funding period.

Unsustainability of externally funded HIV responses

The report states that in no country is the national HIV response sustainable, now or in the foreseeable future, independent of large investments from the Global Fund, PEPFAR and other funding partners. While the Global Fund continues to work with these countries to increase their domestic financing of national HIV responses, only small, incremental changes are occurring. Domestic commitments to HIV in all three countries remain very low overall, a situation that has hardly shifted despite the requirement on the part of the Global Fund that has existed for more than 15 years that grantee countries continually increase their share of financing.

Low domestic commitments to HIV mean that HIV programmes face significant risks should there be any small reductions in external donors' funding in future grant cycles. And, without an increase in domestic and external resources, funding shortfalls are likely to arise by the end of the 2018-2020 grant cycle, particularly as HIV treatment programmes will need to expand to accommodate the growing numbers of people needing antiretroviral drugs.

Nine recommendations for improving Global Fund processes

On the positive side, the report concludes with nine over-arching recommendations for improving Global Fund processes and investments in four areas: (1) improving inputs to Global Fund processes; (2) improving the quality and relevance of country dialogue and funding request development; (3) addressing bottlenecks in global fund grant implementation and grant performance; and (4) changing the fundamentals of how national HIV responses are structured and financed.

"There are no easy fixes and some of the report's conclusions are not new, evidently," said Armstrong. "Essentially what we ask is whether, given how complex the sustainability issues have become, Global Fund processes as we know them are 'fit for purpose' or whether we need to re-think them, particularly in the three countries we looked at. We know that [the] Global Fund is aware of this and perhaps, armed with this report's suggestions, some new approaches can be formulated and tried before the next cycle starts in 2020."

The report's main conclusion is that, based on the three country assessments, the GF processes and the investment they are linked with have become significantly constrained by factors that they themselves have contributed to. The reader is left to consider whether, explored quickly and implemented with determination, the opportunities offered by the report's recommendations could make a big difference.

HEARD is a regional and global leader for applied research and policy development on critical health and development challenges for the African continent. HEARD's mission is to influence and support evidence-based policy and good practice to more effectively address Africa's health and development challenges and to contribute to achieving health and sustainable development across the continent.

Editor's notes:

- [‘Conducting Exploratory Research on Global Fund Processes in Malawi, Tanzania and Zimbabwe’](#) was launched in November 2018 (due to an editing error, the date in the report is January 2018).
- Disclosure: Arlette Campbell White was the lead researcher for the Tanzania portion of this report.

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