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NEW HIV INFECTIONS AND HIV-RELATED DEATHS ARE ON THE RISE IN PAKISTAN, SAYS OIG

In its second routine audit of Global Fund grants in the Islamic Republic of Pakistan, the Global Fund's Office of the Inspector General (OIG) found that the country had made good progress in the fight against malaria. However, significant challenges remain in the Tuberculosis (TB) and Human Immunodeficiency Virus (HIV) responses. The audit found that the TB case detection rate was decreasing, while the HIV infection rate and HIV-related deaths were on the rise, in contrast to global trends.

Based on the audit, the OIG found that the adequacy and effectiveness of HIV and TB interventions and the implementation arrangements in Pakistan need to be significantly improved in order to achieve impact. However, the OIG rated the internal financial controls and the related assurance mechanisms as partially effective. The OIG uses the following four-tier rating: ineffective, needs significant improvement, partially effective, and effective.

This article summarizes the [OIG report](#) published on 28 April 2020. The first OIG audit of Global Fund grants in Pakistan was conducted in [2015](#).

Country context

Pakistan is a lower-middle-income country with four provinces and three regions. In 2011, the country adopted a devolved system of government, whereby provincial governments are fully responsible for healthcare delivery. The Federal Ministry of National Health Services, Regulation and Coordination, which was developed in 2013, became responsible for national regulation and coordination.

The Global Fund has invested \$697 million in Pakistan, with \$225 million currently invested in active grants, for the 2018 to 2020 period (Table 1). The Global Fund has classified Pakistan as a high-impact country, which is defined as one with a mission-critical disease burden and a very large portfolio. It has also classified the country as a challenging operating environment, which refers to weak governance, poor access to health services, limited capacity, and fragility due to man-made or natural crises.

Table 1: Active Global Fund grants in Pakistan in the current 2018–2020 implementation period

Grant No.	Principal Recipient	Grant component	Signed amount (\$)
PAK-H-NACP	Ministry of National Health Services, Regulations and Coordination – National AIDS Control Program	HIV	19 278 571
PAK-H-NZT	Nai Zindagi Trust	HIV	22 489 933
PAK-M-DOMC	Ministry of National Health Services, Regulations and Coordination – Directorate of Malaria Control	Malaria	30 538 495
PAK-M-TIH	The Indus Hospital	Malaria	9 119 042
PAK-T-NTP	Ministry of National Health Services, Regulations and Coordination – National TB Program Pakistan	TB	89 163 205
PAK-T-TIH	The Indus Hospital	TB	40 000 000
PAK-T-MC	Mercy Corps (MC)	TB	15 000 000
			225 589 246

Source: OIG audit report of Global Fund grants to Pakistan

Objectives and scope of the audit

The audit sought to assure the adequacy and effectiveness of the:

- HIV and TB interventions to achieve impact
- implementation arrangements in the context of devolution
- internal financial controls and assurance on the portfolio.

It covered all Global Fund grants, Principal Recipients (PRs), four sub-recipients and ten service delivery sites from January 2017 to June 2019.

Key achievements and good practices

The OIG noted that Global Fund-supported malaria interventions were achieving impact in Pakistan. There was a 57% decrease in new malaria cases between 2012 and 2018, while malaria deaths decreased by 71% in the same period. The OIG also commended Pakistan's high TB treatment success rate of 93% for first-line treatment in 2017 and 64% for multi-drug resistant TB (MDR-TB) in 2016. In order to retain identified patients, Pakistan's national HIV program has also developed a web-based system to track patients from the field to hospitals. Pakistan also rolled out the District Health Information System (DHIS 2) in January 2019 and trained over 500 people to use the system. The country will now use this system to report TB and malaria program indicators at the district level and to improve the accuracy and timeliness of programmatic results.

Main findings

The OIG report described five findings, summarized here:

Challenges in the design and implementation of interventions resulted in low TB case detections

Pakistan has a high burden of TB, with an estimated incidence of 265 per 100 000 people, but case detection remains low. The country fails to detect about 36% of the estimated TB cases. In 2019, the case notifications started showing a downward trend, in contrast to global and regional trends. The OIG attributed the low case detection to gaps in the design and implementation of grant activities, and the government's failure to meet financial commitments fully.

With regard to the design and implementation of activities, the OIG noted that the existing grants have many innovations to increase detection of TB cases. However, these innovations focus only on urban areas. This is despite the fact that 63% of the Pakistani population live in rural areas. The OIG also highlighted the low TB case notification rate from the private sector. The private sector reported only 32% of cases, despite being the first point of care for 85% of the population. The OIG also found that the identification of active cases was limited within the public sector due to the absence of contact tracing and inconsistent screening of patients in outpatient departments.

The government's failure to fulfill financial commitments to the national TB response disrupted and delayed the implementation of key activities. The OIG estimated that the country disbursed, on average, only 15% and 25% of the country's committed resources for HIV and TB activities, respectively, in the last three years.

Need for significant progress to achieve impact on HIV

New HIV infections in Pakistan increased by 57% from 14 000 to 22 000 between 2010 and 2018, in contrast with a 16% global reduction during the same period. In addition, HIV-related deaths increased 4.5-fold in the same period.

The OIG attributed the limited progress with regard to HIV to funding constraints and gaps in implementation of funded interventions. According to the OIG, the national HIV response in Pakistan has a funding gap of 71%. Also, the provinces that are responsible for healthcare delivery do not fulfill their financial commitments. The three provinces visited by the OIG had disbursed, on average, only 15% of funds assigned to HIV activities in the last three years.

The OIG also noted that limitations in the implementation arrangements affect the effectiveness of interventions. For instance, the OIG indicated that low linkage to treatment occurred due to the limited availability of anti-retroviral treatment centers and delays in enrolling patients in treatment programs.

Need for analysis of the cost-effectiveness of the various TB interventions

Pakistan has two non-governmental Principal Recipients (PRs) implementing TB grants: The Indus Hospital and Mercy Corps. During the audit, the OIG identified significant variations in the costs incurred by the two PRs implementing similar interventions in the same districts. For instance, program management and service delivery costs per notified case were \$89 for one PR, and \$138 for the second, a 36% variance. The report explained that the differences in costs could arise from different factors, including the implementers' management structures and the basis for cost allocation among their various projects.

The OIG emphasized the need for a cross-cutting analysis of the various interventions to compare efficiency.

Weaknesses in implementation arrangements affecting the execution of activities

The OIG identified various challenges related to implementation arrangements. For instance, the country has not defined the supervisory roles of the provinces and federal levels in grant implementation since the devolution of the healthcare function. This resulted in inadequate supervision. Also, the OIG noted that the country is not effectively implementing existing structures and mechanisms, such as quarterly interdistrict meetings, which are meant to enable better coordination and collaboration between the provinces and the federal level. These gaps have resulted in duplication of activities.

The OIG noted that even though the federal level had engaged the provinces as sub-recipients of the Global Fund grants, it cannot hold the provinces to account. Because provinces submit reports, on average, two months after the reporting date deadline, the federal level is unable to validate and timeously submit reports to the Global Fund.

Finally, gaps in the engagement between the national disease programs and the non-governmental PRs have affected the timely implementation of activities, said the OIG.

Gaps in procurement processes could lead to limited value for money

The OIG warned that gaps in the country's procurement processes could limit value for money. The OIG identified high and varying thresholds for procurements within the tendering process, the absence of a list of pre-qualified suppliers, gaps in the oversight of procurement activities that resulted in irregularities, as well as weaknesses in contract management practices (where the state PR did not effectively manage contracts signed with service providers) as the issues that required attention.

The OIG called for improved portfolio oversight and assurance. The Pakistani country team had identified procurement as a key risk in Pakistan; however, the Local Fund Agent (LFA) has failed to perform frequent reviews of procurement activities due to capacity constraints.

Summary of Agreed Management Actions

The OIG and the Secretariat agreed on a set of agreed management actions (AMAs) to address the findings. Specifically, the Global Fund Secretariat and in-country stakeholders will aim to:

- increase access to TB services in rural areas and active TB case detection in the public sector (due 31 March 2021)
- decentralize access to HIV services and implement effective confidentiality policies (due 31 March 2021)
- analyze cost-effectiveness of TB interventions across the portfolio to determine activities that should be scaled up for maximum yield (due 31 March 2021)
- devolve the implementation arrangement, starting with provinces that meet defined capacity criteria (due 31 March 2021)
- review and update the portfolio's existing financial risk mitigation measures (due 30 June 2021).

The Head of the Grant Management Division at the Global Fund Secretariat, Mark Edington, is responsible for the implementation of all the AMAs.

Further reading:

- The 2020 audit report, '[Global Fund grants in the Islamic Republic of Pakistan](#)', (GF-OIG-20-012), 28 April 2020
- The 2015 audit report, '[Audit of Global Fund grants to the Islamic Republic of Pakistan](#)', (GF-15-014), 21 September 2015

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