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FRENCH-SPEAKING AFRICAN COUNTRIES NOT ON TRACK IN SPENDING THEIR GLOBAL FUND GRANTS FROM 2017-2019 ALLOCATION PERIOD

The full absorption of grants is currently a top priority for the Global Fund and its recipient countries. This year marks the last year of grant implementation for 70% of active grants; the remaining 30% of the Global Fund's grants will end in 2021 or 2022.

The concern about absorption stems from a history of low absorption among recipient countries, especially those in sub-Saharan Africa. Global Fund recipient countries [failed to use \\$1.1 billion of the available funds](#) in the 2014-2016 allocation period, and according to a Global Fund estimation, [countries will collectively fail to use \\$0.65 billion](#) of available funding in the current (2017-2019) allocation.

Absorption has been particularly low in most West and Central Africa (WCA) countries, which are mostly French-speaking, in past allocation periods, according to a [2019 Office of the Inspector General \(OIG\) Advisory Report](#) on grant implementation in the region. [Challenges at the Global Fund and the country level](#) often impede the full absorption of grants. Implementers are likely to face additional challenges in implementing grants and, consequently, in absorbing funds, in the wake of the new coronavirus pandemic (COVID-19).

This article sought to determine whether selected French-speaking countries are on track to spend grant-funds in the current allocation period, by measuring grant absorption and comparing actual disbursements with budgeted amounts. The Global Fund measures grant absorption as the portion of grant budgets that implementers report as spent. However, the Global Fund does not make grant expenditure data public. Sometimes, the percentage of total disbursements compared to the total grant budget is used as a proxy

for the absorption rate as disbursement is dependent on in-country cash balances, and therefore, offers a rough estimate of grant utilization. However, this proportion is often higher than the actual absorption rate as it includes the in-country cash balances in its calculation.

Data for this analysis comes from the [Data Explorer](#) and [Data Service](#) pages on the Global Fund website. The analysis focused on 12 French-speaking countries in WCA with grants that run from January 2018 to December 2020, with the exception of one grant in the Republic of the Congo that ended in April 2020. The countries are Benin, Burkina Faso, Cameroon, Central Africa Republic (CAR), Republic of the Congo, Côte d'Ivoire, Democratic Republic of Congo (DRC), Guinea, Mali, Niger, Senegal, and Togo. We assessed 42 grants in total.

High impact and core countries, some with challenging operating environment

Four countries belong to the 'high impact' category of countries, which the Global Fund defines as countries with a mission-critical disease burden and a very large portfolio (Burkina Faso, Côte d'Ivoire, DRC, and Mali, in the WCA region). The remaining countries in the group of 12 are 'core' countries (Table 1), which are defined as countries with a larger portfolio, higher disease burden, and higher risk.

The Global Fund also uses another classification called challenging operating environments (COEs) defined as countries with weak governance, poor access to health services, limited capacity, and fragility due to man-made or natural crises. Half of the 12 countries are classified as COEs: CAR, Congo, DRC, Guinea, Mali, and Niger.

Disbursement of current available funds

The Global Fund uses a [performance-based funding model](#) where countries receive continued funding upon demonstrating results against agreed-upon targets. The Global Fund disbursements are, therefore, partly based on the performance of the grant.

The Global Fund had disbursed 65% (\$1.2 billion) of the \$1.8 billion available for the 42 grants in the 12 selected countries at the time of this analysis. The disbursements for the individual countries, as a proportion of the total grant funding, ranged from 42% in Togo to 71% in Guinea (Table 1).

Table 1: Country characteristics and in-country absorption for the 12 countries

Country	Differentiation category	Challenging Operating Environment (Yes/No)	Number of grants	Grant signed amount (\$; millions)	Disbursed amount (\$; millions)	Absorption: Disbursed Signed amount (%)
Benin	Core	No	4	72	47	66%
Burkina Faso	High impact	No	4	166	107	65%
Cameroon	Core	No	4	218	142	65%
CAR	Core	Yes	2	79	51	64%
Congo	Core	Yes	2	36	21	60%
Côte d'Ivoire	High impact	No	6	233	142	61%
DRC	High impact	Yes	5	566	394	70%
Guinea	Core	Yes	3	107	76	71%
Mali	High impact	Yes	3	72	38	52%
Niger	Core	Yes	2	108	71	65%
Senegal	Core	No	4	80	53	66%

Togo	Core	No	3	74	31	42%
Total			42	1 811	1 173	65%

Source: [Global Fund Data Explorer](#)

Note: Disbursed amounts are as at 3 March 2020

Absorption ranged from 39% to 78% across all grants. Grant absorption for the individual grants, in some instances, varied significantly between grants for the same country. For instance, in Benin, the Global Fund had disbursed 55% for an HIV grant managed by the state, Programme Santé de Lutte Contre le Sida (BEN-H-PSLS), compared to 75% for an HIV grant managed by Plan International (BEN-H-PlanBen) (Table 2). Similarly, in Mali, the state-managed HIV grant (MLI-H-HCNLS) had received only half of the signed amount compared to the non-state managed HIV grant (MLI-H-PLAN) (65%). The differences in the absorption rates among grants from the same country may be due to the type of implementer (whether state or non-state), the disease component and the commoditization of grants. Congo has two grants, one which ended in April 2020. Surprisingly, this grant, COG-M-CRS, had received only 73% of the available funding by the beginning of March 2020.

Table 2: Absorption of select grants from two countries: Benin and Mali

Country	Disease component	Grant number	Grant signed amount (\$; millions)	Disbursed amount (\$; millions)	Absorption (Disbursed/Signed amount) (%)
Benin	HIV	BEN-H-PSLS	28	15	55%
	HIV	BEN-H-PlanBen	5	4	75%
	Malaria	BEN-M-PNLP	32	24	75%
	TB	BEN-T-PNT	7	4	62%
Total			72	47	66%
Mali	HIV	MLI-H-HCNLS	56	28	50%
	HIV	MLI-H-PLAN	8	5	65%
	TB	MLI-T-CRS	8	5	56%
Total			72	38	53%

Source: [Global Fund Data Explorer](#)

Few countries are likely to use their allocations in time

A comparison of the actual disbursements against the budgeted amounts showed that very few countries were on track to spend their entire allocation as per the grant's [detailed budget](#). Overall, the 12 countries had planned to spend \$1.21 billion by 31 December 2019, but the Global Fund had only disbursed \$1.17 billion by the beginning of March 2020, two months after the end of the second year of grant implementation. In short, the actual disbursements at the time of analysis were 3% (\$36 million) below the budgeted amount for 2018 and 2019 (Table 3).

Two countries had received disbursements higher than the budgeted amount: Niger (123%) and Guinea (103%), whereas the DRC had received disbursements equal to the budgeted amount (100%). In

contrast, actual disbursements to Togo were 22% below the budgeted amount for 2018 and 2019. This analysis did not explore why some countries appear to be spending money faster than others. However, the [OIG](#) has, in the past, linked better in-country absorption with strong implementation arrangements and capacity of the implementers in the WCA region.

Table 3: Comparison of actual disbursements against budget, by country

Country	Disbursed amount (\$ (millions))	Total 2018-2019 Budget (\$ (millions))	Disbursed/ Budget (%)	Variance (\$) (millions)
Benin	47	52	91%	- 5
Burkina Faso	107	112	95%	- 5
Cameroon	142	144	99%	- 2.
CAR	51	51	99%	- 1
Congo	21	24	87%	- 3
Côte d'Ivoire	142	162	88%	- 20
DRC	394	395	100%	1
Guinea	76	74	103%	2
Mali	38	38	98%	1
Niger	71	57	123%	13
Senegal	53	57	93%	- 4
Togo	31	39	78%	- 9
Total	1 173	1 205	97%	- 31

Source: [Global Fund Data Explorer](#) and [Data Service](#) page

Note: Due to rounding, the difference between the total budgeted and disbursed amounts do not match with the total variance.

Of the 42 grants, 14 had received either the total budgeted amount or more for 2018 and 2019, while the remaining 28 grants had received less. The 14 grants include Niger's non-state malaria grant (NER-M-CRS, 29% more), Cameroon's state HIV grant (CMR-H-MOH, 23% more), Guinea's non-state TB/HIV grant (GIN-C-PLAN, 23% more) and Senegal's state HIV grant (SEN-H-CNLS, 21% more).

In contrast, grants that received funding lower than the budgeted amount include Côte d'Ivoire's state HIV grant (CIV-H-MOH, 26% lower), Togo's state HIV grant (TGO-H-PMT, 25% lower), Cameroon's state malaria grant (CMR-M-MOH, 20% lower) and Senegal's state malaria grant (SEN-M-PNLP, 20% lower). The percentage shows by what proportion the disbursed amount was falling short of the budgeted amount. Lower use of funds in these grants may be due to savings or efficiency gains within the grants, or delays in the disbursement of funds by the Global Fund. Poor grant performance can also make the Global Fund withhold funding from an implementer in line with the performance-based funding model. To get back on track, implementers need to develop acceleration plans while addressing the challenges to absorption.

HIV grants' spending on track when compared to TB and malaria

Almost half of the 42 grants were for HIV (20), 13 were for malaria and eight were for TB (Table 4). Overall, disbursements to HIV grants at the time of the analysis had surpassed the budgeted amount for 2018 and 2019 by 3%.

In contrast, malaria and TB grants had each received, on average, 6% less than the budgeted amount: \$43 million and \$3 million, respectively. This finding is partially consistent with [previous analysis by the Global Fund](#)

, in 2019, which showed that TB grants tend to have lower absorption as they are generally less-commoditized compared to HIV and malaria. Analyses have shown a positive correlation between the commoditization of grants and increased absorption.

Table 4: Comparison of actual disbursements against budget, by disease component

Disease component	Number of grants	Total signed amount (\$) (millions)	Disbursed amount (\$) (millions)	Total 2018-2019 budget (\$) (millions)	Disbursed/ Budget (%)	Variance (\$) (millions)
HIV	20	727	456	445	103%	11
Malaria	13	997	661	704	94%	- 43
TB	8	71	45	48	94%	- 3
Other*	1	13	8	9	92%	- 1
Total	42	1 808	0	1 206	97%	- 36

Note: *Grant incorporates TB, and Resilient and Sustainable Systems for Health (RSSH)

Countries fail to spend funds despite having huge resource gaps

The grants in the sample currently have less than eight months of implementation left. Countries are not likely to spend all their available funding, especially in light of the COVID-19 pandemic, which is affecting grant implementation in affected countries. Ironically, countries are failing to absorb funds amidst huge resource gaps. A [2018 Aidsplan analysis](#) of availability of funding to fully finance the HIV, TB, and malaria responses revealed considerable gaps in financing for the three diseases.

- After years of consistently reporting low absorption, countries need to change the narrative by addressing persistent bottlenecks to spending Global Fund resources within their contexts. The OIG advisory report has offered recommendations that could help. Among these recommendations are the improvement of Global Fund Secretariat processes to support the countries: the use of available flexibilities under the Challenging Operating Environment to help with grant performance; the integration of the three diseases for improved management; and the use of long-term technical assistance to help build capacity where needed. Most importantly, countries need to address the perennial issue of weak health systems, which underpins low absorption in most countries, and weak coordination among development partners leading to duplication of actions/lack of harmonization of interdependent activities and affects operationalization.
- Countries should also strengthen their leadership and engagement with the top management, streamline their implementation arrangements and leverage the mandates, roles and capacity of the various in-country institutions.

The Global Fund's support remains key in addressing the absorption issue, including timely approval of reprogramming requests and simplifying budgeting and grant reporting processes. Where needed, the Global Fund also needs to strike a balance between mitigating risk and facilitating the implementation of grants in different country contexts.

Further resources:

- From GFO Issue 360, 10 July 2019, '[Challenges at Global Fund Secretariat and implementer levels found to impede grant absorption.](#)'
- [Advisory report on Grant implementation in Western and Central Africa \(WCA\): Overcoming barriers and enhancing performance in a challenging region](#) (GF-OIG-19-013).
- [Data Explorer](#) and [Data Service](#) pages on the Global Fund website.

