



Independent observer  
of the Global Fund

## OIG advisory review on Western and Central Africa questions 'challenging operating environment' policy

The May 2019 [Advisory Report on Western and Central Africa](#) conducted by the OIG over the previous 6 months offers a crucial opportunity to review the challenges met by the Global Fund and the implementers in contexts classified by the Global Fund as [Challenging Operating Environments](#) (COEs). Half of the Global Fund's COE countries – 11 out of 22 – are located in West and Central Africa. In terms of epidemiology, the COEs remain crucial for the Global Fund, as together they account for 27% of the malaria burden worldwide, 30% of the Global Fund's overall investments, and usually experience major barriers to healthcare access for patients. As stated by the TERG in 2014 in the position paper on fragile states, "to achieve its overall goals, the Global Fund needs to succeed in fragile states".

The country contexts that fall under the COE category are quite different, as are the challenges met by these 11 countries, although they are part of the COE category according to criteria that have been carefully selected: weak governance, poor access to health services, and manmade or natural crises.

Consequently, it can be difficult to standardize implementation models in countries as different from each other as Central African Republic (CAR) and South Sudan, or Burkina Faso, Liberia and Sierra Leone.

The OIG team has produced, in this Advisory Review, a very comprehensive analysis, and used many sources of information. For the first time, there is a transparent and multidisciplinary document available for further debate and new operational choices. This document should be the basis for additional analysis on the measures to be taken in order to maximise the impact in the COE.

Some additional elements should be taken into account:

## Lack of consensus on COEs' definitions and needs

There is no global consensus on what COEs represent – and what specific needs they experience – to achieve greater results towards disease elimination. The COE category contains both failed states in emergency modes and fragile states that are still operating within a functioning political system. The Secretariat agreed, during the last Board meeting, on the necessity to reinvent programmatic interventions in emergency contexts, and partner with specific organizations that are used to deploying operations in unstable environments. Several experiments have recently been conducted in contexts such as Somalia, CAR and South Sudan. Agreements were made with emergency NGOs such as Doctors without Borders, Population Services International and United Nations agencies like the International Office for Migrations (IOM) and the Food and Agriculture Organization (FAO). The Global Fund processes have been simplified, with country teams also approving commercial agreements to contract other partners on an ad hoc basis.

In those cases, where there are a few, well-identified partners, and where the strengthening of the health system is not the priority, interventions are easier to implement. The implementing sub-contracted partners enable a better understanding of the context, and the role of the Global Fund is better defined. The examples of flexibilities and innovations that have been undertaken go from a system of bed-net distribution in Northern Mali to the implementation of a system to track real-time consumption of health products in CAR.

COEs that don't fall under the category of failed states or countries in conflict have not been considered – and treated – by the country teams as specific 'contexts'. They make up a complex panorama of weak and strong political powers, a fragmented civil society unlikely to play a major role in challenging the political powers in place and advocating for the most vulnerable, inequities in the health system (for example, a private sector dedicated only to the richest among the population, and a failed ministry of health) and very limited domestic investment in health.

The landscape of actors is fragmented and complex, mixing local actors with regional and international ones. Take the Sahel region as an example: the World Bank is investing through the SWEDD (Sahel Women's Empowerment and Demographic Dividend) project, the African Union, the Organisation Ouest Africaine de la Santé (OOAS), humanitarian agencies such as Doctors without Borders, Médecins du Monde, Worldvision, Oxfam, Save the Children, Action Against Hunger, International Refugee Committee, United Nations agencies (UNFPA, WHO, Unicef, UNDP, UNHCR), bilateral cooperation partners (such as Agence Française de Développement, GIZ, Government of Monaco, Luxembourg, Switzerland) and the European Union, the UN Peacekeeping Mission (MINUSMA) and, of course, governments. This represents such a complex and vast ecosystem, in which the Global Fund is just one of the actors, that it challenges all efforts for a comprehensive analysis of what is going on in the region, and how best to deal with it.

This is translated in the flexibility-measures statistics applied during the grant cycle 2017-2019: 60% of funding requests were made based on the documents relating to 'core' countries, the number of grant requirements was exactly the same as in non-COE countries, and the average number of tracking measures included into the performance framework for COEs was more than double those for other countries.

As a result, the OIG team concludes that "the combination of limited prioritization of interventions, lack of focus in the performance framework, and fragmented tracking of multiple deliverables results in significant complexity. This, in turn, creates potentially burdensome responsibilities for implementers, and allows limited opportunities to focus on priority areas which are likely to yield the biggest programmatic impact. It has a potentially adverse impact on the quality of the Country Teams' portfolio oversight, and their ability

to focus attention and resources on core deliverables and the most critical challenges”.

This is why there is an urgent need to open the discussion with the country teams on their intention and capacity to effectively implement the COE policy in the countries they follow, and to support them in the environment analysis and the deployment of the tools. This needs to be reinforced by risk analysis.

What ‘risk’ means

The financial risk

There is not enough deep reflection on what ‘risk’ means: there are 2 major risks for the Global Fund when grants are implemented in COEs: A financial one, related to mismanagement of the funds, and an operational one. The Global Fund has taken drastic measures to mitigate the financial risks, through the creation of a battery of tools ranging from the Fiscal Agent to the ASP policy, and the Zero Cash Policy. They turned out to be efficient in preventing the misuse of funds and they promote transparent management of resources. Nonetheless, the use of these ‘tools’ doesn’t always guarantee the correct understanding of the eligibility of expenses, as observed in some countries that still show a huge quantity of ineligible expenses. In addition, there have been no assessments of the effectiveness of the risk mitigation measures, so their cost-effectiveness is not clear. It is urgent that the balance between financial risk mitigation and flexibility in implementation is found before the new grant cycle begins.

The operational risk

As the TERG mentioned in its [2014 Position Paper on fragile states](#), “further innovations and creative solutions have to be sought and encouraged, as the options and recommendations summarized in this review alone are unlikely to be satisfactory for reaching key affected populations with effective programs. The Global Fund should find ways to further encourage bold approaches to reaching the unreached and aiming for ambitious goals in challenging circumstances”.

The Secretariat has recently started a review of implementation mechanisms in order to correct situations that have turned out to weaken the health systems in place even more: In most COEs, principal recipients are international NGOs or UN Agencies that are disconnected from the Ministry of Health and the CCM. Working relations include the PR and the three disease programs, without linking to the CCM, the different branches within the Ministry of Health (statistics, laboratory, health products, community health services), the Ministry of Finance, and the decentralised levels of these. This has created an external system without any lines of accountability to the ministry of health, nor the CCM, PR being the main actor networking directly with the country teams and the programs. The Secretariat has acknowledged the counterproductive situation, and is currently reviewing the organizational setting that should be in place in the future.

Different and varied approaches needed

There needs to be regional and multidisciplinary approaches to mitigate the side effects of this “patchwork of countries”. In the position paper delivered by the TERG in 2014, the latter recommended sharing information and lessons on the implementation of the COE policy: “TERG acknowledges the difficulties of learning from such context-specific experience, especially the difficulty of learning generalizable lessons from practical experience by field actors, trying to link donor funding to local problem-solving in remote and conflict-affected areas, but stresses the need to do so. TERG thus recommends such that on-going learning in Fragile States should be built in more systematically in the ongoing Global Fund grants”.

The current internal organization in the Secretariat promotes silos and impairs cross-cutting discussions and efforts. Follow-up with COEs is under the responsibility of four regional managers, who are also responsible for many other countries that are not COEs. COEs are also tackled by the CCM Hub under

the differentiation strategy implemented through the CCM evolution initiative, and the CRG division that has just published a report on the progress of human rights and gender issues in these complex environments. One person is currently dedicated specifically to the COEs to support country teams in the implementation of the policy, but this seems insufficient given the challenges met by the COE countries. What seems necessary are specific ‘spaces’ to share practical experiences, produce documents and reviews, and to promote stronger ownership of the COE policy within the Secretariat in order to promote it in COE countries.

### Capacity building and technical assistance

There needs to be a new model in the partnership with technical assistance, which could act as a “capacity building and transitional partner” for the implementation of the grants in the COEs. Oddly enough, the validation of the COE policy by the Board has not been associated with a technical assistance roadmap in order to ensure that the implementation of grants in these specific contexts would benefit from long-term support to the health system. This technical assistance could be a game changer in many respects, relating to strengthening local partners and fragile health systems. Such measures take time and should not be planned on the same calendar as the 3-year grant cycle.

A change of paradigm in the way COEs are treated in the Global Fund is needed, in order to make real political and operational breakthroughs. The tools to enable easier and more flexible implementation of grants throughout the grant cycle have not been used, nor has the TERG’s recommendation to adopt a “country-by-country” approach been followed. A “business as usual” approach, and marginal changes in these contexts, have shown their limits. Innovation and bold decisions are required, in order to support the Secretariat staff involved in the implementation of grants in fragile contexts. The OIG Advisory Review and the coming new cycle, 2021-2023, offer a new opportunity to effectively use the policy in order to make investments more efficient, better adapted to fragile contexts, and ultimately maximise the impact for patients.

### Further reading:

- [OIG Advisory Report: Grant Implementation in Western and Central Africa](#) (2019)
- The Global Fund’s [Challenging Operating Environments policy](#) (35th Board Meeting)
- [TERG Position Paper: Thematic review of the Global Fund in ‘fragile states’](#)

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