




Independent observer  
of the Global Fund

## GLOBAL FUND GRANTS IN ANGOLA ARE “PERFORMING POORLY,” OIG SAYS

In this second [audit of Global Fund grants in Angola](#), the Global Fund’s Office of the Inspector General found that the country’s grants are performing poorly. New infection rates and mortality rates increased for HIV, TB, and malaria compared to the regional average, and even to the country’s own rates in 2012.

 The ~~OIG~~ <sup>audit opinion</sup> was that domestic financing, community engagement, program implementation, as well as data-management arrangements are ‘ineffective’. However, financial management and assurance arrangements are ‘partially effective’. The OIG uses a four-tier rating ranging from ineffective, to needs significant improvement, partially effective, and effective.

This article summarizes the OIG audit report published on 27 February 2020. The OIG had [previously audited](#) the Global Fund grants in Angola in 2012 and [investigated](#) embezzlement of more than \$4 million from its malaria program, in 2016.

### Country context

#### Economic downturn

Angola, with its 31.8-million people, was an upper-middle-income country from 2013 to 2017, thanks to the country’s vast petroleum revenues. But with the worldwide drop in the price of petroleum barrel, Angola was relegated to the lower-middle-income category in 2017, with a gross domestic product per capita of \$4,170 (2017), according to the OIG report.

Since 2014, the national currency has devalued by 280%, and the health-sector budget decreased by

41% from 2014 to 2016. The country experiences an endemic level of corruption, according to the OIG report.

The incidence and mortality rates of HIV, TB, and malaria increased during the last decade

In Angola, an estimated 330,000 people live with HIV, of whom 42% know their status, and 27% are on treatment (2018) according to the OIG report. Sadly, AIDS-related deaths increased by 40% from 10,000 in 2010 to 14,000 in 2018, according to UNAIDS. Moreover, new HIV infections have risen by 8%, from 26,000 in 2010 to 28,000, in 2018 indicating a failure in prevention.

Angola is 18th-highest in the world in terms of estimated incidence for TB, and in the top 30 countries for the burden of TB, MDR-TB, and TB/HIV. The estimated number of new cases of drug-susceptible TB increased by 19% from 90,000 in 2010 to 107,000 in 2017.

Malaria-related morbidity and mortality in Angola increased in the last decade, according to the [World Health Organization \(WHO\) Malaria report 2018](#). Estimated malaria cases increased by 48%, from 3.1 million cases in 2010, to 4.6 million cases in 2017; malaria-related deaths increased by 72%, from 8,114 in 2010 to 13,967 in 2017.

#### Objectives and scope of the audit

This audit, covering the period from January 2017 to December 2018, assessed:

- The design and adequacy of data management arrangements in supporting the achievement of grant objectives and ensuring accurate and timely data for decision making and reporting;
- The effectiveness of domestic financing, community engagement and programmatic implementation for providing access to services and linkages to care for beneficiaries;
- The effectiveness of financial management and assurance arrangements to mitigate key risks.

This audit covered eight grants, including the active and closed grants for all three Principal Recipients: UNDP (HIV), Ministry of Health (Malaria and TB/ RSSH), and World Vision (Malaria). Of the eight grants audited, three ended on 30 June 2018; one ended on 31 December 2018; three will end on 30 June 2021, and one will end on 31 December 2021.

Table 1: Global Fund grants to Angola covered in this audit

Grant No.	Principal Recipient	Grant component	Grant period	Signed amount (US\$)	Disbursed amount (US\$)
Funding cycle 2016-2018					
AGO-H-UNDP	UNDP	HIV	Jul 2016 – Jun 2018	29,928,778	25,198,985
AGO-M-MOH	Ministry of Health	Malaria	Jul 2016 – Jun 2018	30,532,163	20,687,810
AGO-M-WVI	World Vision International	Malaria	Jul 2016 – Jun 2018	8,203,093	6,237,875
AGO-T-MOH	Ministry of Health	TB/RSSH	Jan 2017 – Dec 2018	19,193,413	13,510,583
Total				87,857,450	65,635,253
Funding cycle 2018/19-2020/21					
AGO-H-UNDP	UNDP	HIV	Jul 2018 – Jun 2021	23,110,399	5,342,840
AGO-M-MOH	Ministry of Health	Malaria	Jul 2018 – Jun 2021	13,470,603	2,925,194

AGO-M-WVI	World Vision International	Malaria	Jul 2018 – Jun 2021	8,529,397	2,822,113
AGO-T-MOH	Ministry of Health	TB	Jan 2019 – Dec 2021	7,674,176	3,923,920
Total				52,784,575	15,014,068

## Main findings

The OIG found that the issues identified in the last audit of 2012 – inadequacy of financial management, PR oversight, TB service provision, domestic procurements, and data quality – persisted, with limited or no progress in addressing them.

The OIG report described four crucial findings, summarized here:

### 1. Poor data quality is hampering measurement of performance and impact

This poor data quality is characterized first by substantial data inaccuracies at health facilities. Data checked from the facilities' patient registers differ substantially from the consolidated monthly reports sent by health facilities to levels above (municipal, provincial & central level), contributing to discrepancies in aggregated data.

Several reasons help explain this poor data quality. The first is that the National Health Management Information System strategy, adopted in 2015, is not adapted to the current situation in the health facilities. The strategy, which was created before the Ministry of Health decision to roll out DHIS 2, emphasizes manual collection and assessment of data, and does not address this decision and further needs for expansion. Second, the monitoring and evaluation (M&E) staffing at the central and provincial levels is insufficient, leading to inadequate supervision of staff in the facilities.

This lack of data reliability is pervasive in the HIV and malaria programs. As a consequence, data for patients on ART treatment is also unreliable, which leads to inaccurate quantification of medications needed. Similarly, malaria data collected by community health workers is unreliable. (Community health worker activities are under World Vision grant.)

### 1. Limited country prioritization and ownership of programmatic performance

Low prioritization of the three diseases contributes to high growth in TB cases. Only 14% (333 out of 2,442) of the health facilities across the country offered TB services as of December 2018, according to the OIG report. Similarly, only 22 of the 164 municipalities (13%) could diagnose TB with GeneXpert at the time of the audit in Angola. The Global Fund had purchased 25 more GeneXpert machines, which are not used because the State could not fund the training to use them or the procurement of related printers.

In the Ministry of Health, HIV and TB programs are inadequately coordinated, a notable missed opportunity to increase the impact of both grants considering that Angola ranks 11th worldwide in terms of TB/HIV coinfection.

In Angola, the strategy to prevent mother to child transmission (PMTCT) is weak, resulting in 27.8% mother-to-child HIV transmission rate. This rate is significantly higher than the regional average for Southern and Eastern Africa of 9.2% and the global average of 12.7%, according to the report. Weak progress in tackling PMTCT has contributed to an 18% increase in under-14 HIV incidence and a 21% increase in HIV-related deaths since 2010, the OIG report says.

### 1. Failure to fulfill domestic financing commitments hinders Global Fund programs

As a middle-income country, Angola is expected to be a significant contributor to funding its own programs for the three diseases, according to the Global Fund sustainability, transition, and co-financing policy.

In Angola, the government committed to additional funding to purchase commodities needed for these three diseases, like first-line medications for TB or mosquito nets to prevent malaria. However, the government probably did not fully meet these commitments as the OIG auditors could not verify the appropriate documentation.

1. Implementation bottlenecks hamper effective oversight and management of the Global Fund Grants
- 2.

The Global Fund has invested massively in a program management unit (PMU), and in fiscal and fiduciary agents in Angola for proper financial controls. However, the PMU has often been understaffed in crucial positions, and its roles and terms of reference have not been updated since 2008.

Also, annual external audits were late by more than a year (415 days) at the time of publication, and progress update and disbursement requests were delayed by about four months (102 days). These facts reflect the inadequacy of the institutional arrangements in grant management.

#### Agreed Management Actions

The agreed management actions were all directed to (“owned” by) the Head of Grant Management in the Secretariat.

AMA 1: The Global Fund Secretariat will apply a revised strategy for implementing grants to attain increased impact in the fight against the three diseases in Angola. The due date is 31 December 2021.

AMA 2: The Secretariat will review compliance of co-financing commitments in Grant Agreements for Angola under the 2017-2019 funding cycle. If there is evidence of non-compliance or non-realization of co-financing commitments, the grants may be proportionally reduced. The due date is 31 March 2022.

#### Further reading:

- This Audit Report, [Global Fund Grants in the Republic of Angola](#) (GF-OIG-20-003), 2 February 2020
- Investigation Report: [Global Fund Grants to Angola Ministry of Health](#) (GF-OIG-16-006), 1 March 2016
- Audit report: [Audit of the Global Fund Grants to Republic of Angola](#) (GF-OIG-12-002), 7 September 2012

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