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New OIG Advisory Report on grant implementation in Western and Central Africa identifies room for improvement

The OIG team that recently conducted a study on grant implementation in Western and Central Africa (WCA) presented its Advisory Report at a special information session during the 'Pre-Day' meeting of the Global Fund's 41st Board meeting, on May 14.

The report highlights both the major challenges that the countries of this region face (the availability of human resources for health, political and economic limitations, limited fiscal space to mobilize domestic resources, weak health systems, among others), and the performance and results achieved. Results show significant progress in malaria (31% reduction in malaria deaths between 2010-2016), HIV (27% reduction in AIDS deaths between 2010–2017) but highlight the relatively poor performance in tackling TB (5% increase in TB deaths between 2010-2016).

The report is divided into 3 main areas: the analysis of the environment in the region, the Global Fund grants' implementation and performance, and the key areas that need to be strengthened to improve the situation. It has covered – and made recommendations to address – five main issues affecting grant performance: Global Fund processes, implementation arrangements, technical assistance, and RSSH and access to health.

The report shows that the West and Central African region has achieved a better absorption of the funds with an overall rate of 77% for the grants in the region compared to the rest of Africa (74%), and to the global rate (71%). The OIG report mentioned several key limitations to countries' budget utilization, such as:

- The Challenging Operating Environment Policy is not effectively operationalized – standard GF

- policies and processes still drive how grant management is performed.
- Additional safeguards have led to an imbalance between financial and fiduciary risk mitigation measures and grant implementation: specifically, they pointed out (i) a conflicted role for the fiscal agent, (ii) zero-cash policy is not differentiated and thus adapted to each country context, and (iii) a lack of regular assessments and exit plans that the Secretariat is supposed to perform. The absence of a regional approach to grant management limits the Global Fund's ability to engage in and leverage external regional reviews/initiatives, and to share regional knowledge internally.
 - Limited granular data is available from support functions (Technical Assistance and Partnership, Resilient and Sustainable Systems for Health, Community Rights and Gender, etc.) to support decision-making at the regional level.

As part of the set of solutions that may help to improve implementation, the OIG has requested the Secretariat to review the procedures that aim to reduce risk and adapt the principle of differentiation and flexibilities for Challenging Operating Environments.

There has been a general appreciation for the quality of the report, in that it acknowledges the difficulties faced by the WCA countries, and analyses objectively the impact of procedural limitations on the implementation of the grants. The African Constituency Bureau (ACB) delegation has welcomed this report, which was released in March this year, and the quality of the analysis and the evidence shown.

The ACB has expressed its intention to take ownership of the report's conclusions and recommendations and has announced a delegation meeting to be held at the beginning of July in Dakar. They plan to perform a more refined analysis, country by country, and open a transparent dialogue with the Secretariat on the measures to be taken in the new grant cycle.

The Secretariat has announced its intention to better fine-tune the balance between the necessary measures to mitigate financial risks, and the need to give more flexibility to countries to implement grant activities. A Secretariat Summary Action Plan describes how country teams, supported by the Secretariat's risk teams, will review the policies in place and assist to make the process easier.

The African Constituency Bureau released a statement on the pre-day of the Global Fund's Board that acknowledges the publication of the report, expresses several concerns, and insists on the need for:

1. A baseline assessment for each country operating under an Additional Safeguard Policy (ASP)
2. A review of the implementation modalities for the next grant allocation cycle (2020-2022), discussed in advance with countries to ensure their effectiveness and optimal success;
3. The full implementation of existing flexibilities for Challenging Operating Environments;
4. A review of the positive, negative and net impacts of Additional Safeguards on grant implementation and impact, for each country still dealing with such safeguards, as well as time-bound plans to redress the negative impacts and exit ASPs, where possible;
5. Time-bound plans to build capacity and ultimately transfer the designation of Principal Recipient (PR) from expensive UN or INGO PRs to national actors (without placing outgoing PRs in charge of executing the transfer-oriented capacity building);
6. Prioritize WCA countries for the rollout of existing GF tools to assist countries in addressing Community, Rights and Gender dimensions of the health inequities that plague the region;
7. Adapting the allocation methodology, including qualitative adjustments, to take account of the inequities identified in the OIG's report on WCA. According to the ACB delegation, lower-absorption countries should be supported to absorb and catch up.
8. Prioritize countries with lower service coverage for scale-up in the next allocation cycle, so that they may catch up with their peers, and so as to reduce inequities in treatment access and disease

survival across countries.

The GFO and the OFM will publish a series of articles in future editions that will be dedicated to further analysis of the WCA report, the recommendations issued by the OIG, and the way the Secretariat and countries in the region will conduct proactive follow-up and implementation of the OIG's recommendations.

Editor's note: OIG Advisory reports are not subject to mandatory public disclosure; whether or not they are published is at the discretion of the Inspector General and, in this case the Executive Director of the Global Fund, who has agreed to publish the report in full.

The OIG Advisory review, "Grant Implementation in Western and Central Africa: Overcoming barriers and enhancing performance in a challenging region," is expected to be published on the OIG section of the Global Fund website within ten days of the completion of the 41st Board meeting.

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