Aidspan

Independent observer of the Global Fund

ADDITIONAL INFORMATION ON THE DECISION NOT TO APPROVE EXTENSIONS FOR HIV AND TB GRANTS TO BOSNIA AND HERCEGOVINA

In GFO #293, we reported that the Global Fund Board turned down a recommendation to provide additional funding for a TB grant and an HIV grant in Bosnia and Herzegovina. Although to still do now know why the Board decided not to grant the additional funding, we now have additional information on what was being requested and why. As well, we are able to report on the reaction of the principal recipient (PR), UNDP.

The Board was asked to approve up to $900,000 for a TB grant (BIG-T-UNDP) and up to € 700,000 for an HIV grant (BIH-910-G03-H). The additional funding would have allowed both grants to continue operating until 31 December 2016.

When it approved the Policy on Sustainability, Transition and Co-Financing (STC) in April 2016, the Board asked the Secretariat to review existing grants that are ineligible for further funding under the Eligibility Policy. The intent of this review was to understand the challenges to successful transition within these grants, and, potentially, to take some action to mitigate the challenges.

Subsequently, according to a paper sent to the Board in July recommending additional funding for the Bosnia and Herzegovina grants, the Secretariat decided that it would review seven country components with active, existing grants and two components with grants that are in closure. All nine components are currently ineligible for further funding under the Eligibility Policy and did not receive an allocation for the 2014-2016 allocation period due to their ineligibility.

The active grants included the two Bosnia and Herzegovina grants, as well as Macedonia HIV, Macedonia

TB, Ecuador TB, Colombia TB, and Iran malaria. The two closed grants were Bulgaria HIV and Tunisia TB. All of these grants were scheduled to end sometime in 2016.

The Secretariat adopted a set of criteria for its review. It decided that an extension will only be recommended if:

- there was no allocation, transition funding or otherwise, provided as part of the 2014-2016 allocation; and
- terminating funding as per current timelines will reverse impact and stop funding for key populations, critical commodities, or interventions addressing key barriers to successful transition; and
- additional time will result in a realistic likelihood of successful transition by the end of a specified extension period; and
- the awarding of additional funding is conditional on signed government commitments, and actual disbursements will be conditional upon achievement of key or critical transition-specific milestones; and
- the grant can be managed through simplified processes; and
- the Global Fund has not put in place strong efforts to support a successful transition; or
- wambo.org could assist with procurement challenges.

(Wambo.org is the Global Fund's new electronic marketplace for health products. See article in this issue.)

Any extensions would be for less than three years. They would be considered exceptions to the STC Policy.

The Secretariat said that the majority of the grants being reviewed have sufficient funds to request a no-cost extension until 31 December 2016 in the event that additional implementation time would benefit the transition process. However, the Bosnia and Herzegovina TB and HIV grants were scheduled to end on 31 July 2016 and 30 September 2016, respectively. These grants have already had no-cost extensions for nine and ten months, respectively, and there are no remaining funds to extend beyond a few weeks.

In the paper sent to the Board, the Secretariat said that there has been significant work carried out to date to ensure a responsible transition. It said that the country has developed costed transition plans, and that there are emerging commitments to pick up key program costs, including health products, from the respective government counterparts. However, the Secretariat said, there have been no concrete commitments made; and systemic issues in national procurement systems to allow for the procurement of health products, including first- and second-line TB drugs and opioid substitution medications, have not been completely addressed.

The Secretariat noted that the government budgeting processes for 2017 health needs will occur in September 2016. Because of these extremely short timelines, the Secretariat recommended extensions for the two Bosnia and Herzegovina grants to the end of 2016. The extensions "would allow for additional time to advocate and monitor government commitments for critical interventions, including treatment and diagnostic services and programs for key and vulnerable populations, which may otherwise cease," the Secretariat said.

According to the paper submitted to the Board, since there are no currently authorized sources of funds for any extensions that might be recommended, the Board could consider using funds from the 2014-2016 allocations that are validated for portfolio optimization. To date, the paper said, $461 million of the $700 million validated in March 2016 for portfolio optimization have been approved by the Board or recommended to the Board for shortened grants and early applicants. The Secretariat said that the additional funding proposed for the two Bosnia and Hercegovina grants would come from the remaining balance; and that, based on latest F2 forecasts presented to Audit and Finance Committee in June 2016,

doing so would not adversely affect the Secretariat's management of the potential funding needs in 2017 due to shortened grants and early applicants.

The voting was conducted electronically. In order for a proposed decision to be adopted, two-thirds of the donor group and two-thirds of the implementing group would have to vote in favor. Since there are 10 voting members in each group, a proposed decision would require seven "yes" votes in each group.

The proposal to extend the two Bosnia and Hercegovina grants received seven "yes" votes from the implementing group, but only three from the donor group. The precise breakdown is as follows:

- In the implementing group, seven constituencies voted in favor; none voted against; there were no abstentions; two votes were received after the deadline; and one constituency did not vote.
- In the donor group, three constituencies voted in favor; two voted against; there was one abstentions; and four votes were received after the deadline.

GFO understands that Board members were informed that even had the votes received after the deadline had been counted, it would not have changed the outcome.

Reaction from the PR

Tijana Dragicevic, Program Analyst for the UNDP Global Fund Partnership Team, based in Geneva, told GFO that "while it is unfortunate the extension was not approved, UNDP is working closely with the government and other stakeholders to ensure sustainability of interventions and a smooth transition." She said that a transition plan has been developed which lays out a series of practical steps to reduce dependency on external resources, by focusing on cost-effective interventions and advocacy for harm reduction services. "The aim of the plan is to achieve universal coverage of HIV prevention, treatment, care, and support services, taking into account the needs and vulnerabilities of the key affected populations."

Ms Dragicevic that because the extension period has not been approved, efforts will need to be accelerated to ensure adequate services continue to be provided and the gains are consolidated. "This is especially true for services offered by NGOs," she said, "which will be disproportionally effected by the withdrawal of Global Fund resources. UNDP will work with the CCM [country coordinating mechanism] and the Government of Bosnia and Herzegovina to acknowledge the central role of NGOs in ensuring access to HIV-related services. UNDP will also work to ensure close collaboration between NGOs and public health institutes, hospitals and other public institutions, and support inclusive governance structures of the national HIV response."

Read More