



Independent observer
of the Global Fund

TANZANIA WILL USE ITS HIV GRANT EXTENSION TO COVER COSTS OF ARVS THROUGH TO THE END OF 2017

As [reported](#) in GFO #293, the Board has awarded Tanzania's shortened HIV grant an extension of \$109 million to allow it to continue providing essential HIV services through to the end of 2017. The original grant, totaling \$277.5 million had an end date of 31 December 2016. At the time, the Global Fund estimated that an additional \$158 million would have been required to fund the grant to 31 December 2017. Since then, savings of \$48.3 million were identified, largely through the Global Fund's pooled procurement mechanism, thus reducing the gap to \$109 million.

Tanzania has a generalized HIV epidemic, with overall prevalence around 5.1%. Female sex workers (and their clients) and men who have sex with men are the populations most affected. Most of the \$109 million will be used to maintain HIV treatment for the nearly 50% of the 1.4 million Tanzanians living with HIV who were on treatment as of January 2015.

According to data from the U.S. President's Emergency Plan for AIDS Relief (PEPFAR), in 2014 the Global Fund accounted for about 38% of total HIV-related investment in Tanzania, but 70% of ARV procurement. Thus the availability of ARVs in Tanzania is heavily dependent on the Global Fund, a reality apparently not overlooked by the GAC.

<http://www.avert.org/sites/default/files/Tanzania-2015.png>

Image courtesy of [Avert](#)

Further exacerbating a looming ARV availability crisis, in January 2016 Tanzania revised its guidelines such that antiretroviral treatment is to be initiated at CD4 500, rather than the previous CD4 350, bringing Tanzania into alignment with the normative guidelines of the World Health Organization. This change, in

combination with the roll out of “test and start” in October 2016, has begun to (and will continue to) significantly increase the number of treatment-eligible people in Tanzania and, by extension, the costs of treatment.

According to Tanzania’s fund portfolio manager, Ms. Tatjana Peterson, “With the new treatment guidelines, Tanzania hopes to enroll approximately one million people on treatment by December 2017.” In an effort to address the resultant shortages due to high numbers of newly eligible ARV patients, HIV commodities were “front-loaded” in the grant period, meaning there would be insufficient ARV stocks by the final year of the grant, as identified in the 2015 Inspector General’s [audit report](#) on Tanzania. The Global Fund projected a funding gap of at least \$232 million by 2017. In its July report to the Board, in which it recommended extension funding for Tanzania’s HIV grant, the Grant Approvals Committee (GAC) said that some new domestic and international funding has been found to cover some of these additional costs.

One source of additional funding has been the Tanzania AIDS Trust Fund, a multi-donor “ring-fenced” budget which has grown significantly since its approval by Tanzania’s parliament in 2015. For the 2016-2017 fiscal year, the government of Tanzania doubled its prior year allocation to the fund to TZS 6 billion (approximately \$2.7 million).

The GAC provided more information about the HIV grant than it typically does for shortened grant extensions. In its report to the Board, the GAC discussed both known operational issues and risks to the Tanzania HIV program, as well as progress on key issues identified by the GAC and the Technical Review Panel (TRP) when they reviewed the request for extended funding. See Tables 1 and 2 for details.

Table 1: Operational issues and risks, showing actions taken

Issues and risks	Actions taken
Potential for disruption of ARVs	<ul style="list-style-type: none"> · Additional funding obtained from Global Fund and PEPFAR · Dialogue held with key stakeholders, including the government, on additional sources of funding
Weaknesses in procurement and supply chain management	<ul style="list-style-type: none"> · Reforms implemented in the Medical Stores Department · Action plan developed for Ministry of Health, Community Development, Gender, Elderly and Children
Inadequate internal controls (i.e. potential for fraud, corruption, and theft)	<ul style="list-style-type: none"> · A financial development capacity building project underway to (a) enhance PR oversight capacity; (b) improve internal controls and (c) promote engagement with Tanzania’s Auditor General

The next allocation period will take place in 2017, for programs beginning in 2018. The GAC, in its approval of extension funds solely for sustaining current HIV treatment levels, has resisted any program expansion at this point, “noting that further increase in Global Fund liabilities in the current allocation period could threaten the sustainability of future Global Fund contributions to the program during the 2017-

2019 allocation period.” However, the GAC noted that one way to increase the numbers of people on ARVs would be to lower the cost per patient by reducing the cost of procuring ARVs and other commodities, improving procurement and supply chain mechanisms and adopting new service delivery models for ARVs.

Table 2: Progress on key issues

Issues	Actions taken
Need for resource mobilization and measures to enhance sustainability	<ul style="list-style-type: none">· The budget for health was increased.· The budget for the AIDS Trust Fund was increased.· A workshop on investing for health was held for parliamentarians and civil society to better understand health financing.
Need for improvement in coordination of HIV and TB data systems	<ul style="list-style-type: none">· Through a special initiative, the TB grant received support to purchase and implement a TB electronic record and reporting system which is interoperable with HIV data systems.
Need for more data on key populations	<ul style="list-style-type: none">· Key populations mapping and size estimate project is underway, with current estimates available down to the ward level. <p>The mapping feeds into the UNAIDS Key Populations Atlas.</p>

See also the [GFO article](#) on the award to an HIV shortened grant in Mozambique.

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