



Independent observer
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BOARD APPROVES COSTED GRANT EXTENSION TO ENSURE CONTINUITY OF HIV SERVICES IN MOZAMBIQUE

The Board has approved \$77 million to extend Mozambique shortened HIV grant (MOZ-H-MOH). The additional funds will allow Mozambique to continue providing services through to the end of 2017. The Board was acting on the recommendations of Technical Review Panel and the Grant Approvals Committee.

The original grant had an end date of 31 December 2016. The main reason for the shortened grant is related to imbalances in the Global Fund's previous allocation methodology. "Mozambique's grant was shortened to two years primarily due to under-allocation for the 2014-2016 period," said Paul Bonilla, with the Global Fund Secretariat's country team for Mozambique. Indeed, the 2014-2016 allocation methodology allotted 58% of total HIV funds to the top 15 high-burden countries (including Mozambique), despite these countries carrying 80% of the disease burden (see [GFO article](#)). The new allocation methodology for 2017-2019 will bring the allotted amounts for high HIV burden countries much closer in line with the need.

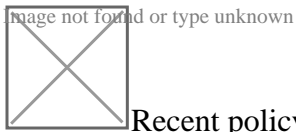
In addition to being under-allocated, Mozambique faced another challenge – just \$3.2 million of the 2014-2016 allocation was new funding. The rest of the country's \$252.6 million allocation for HIV was existing in-country funding that was already committed to programs, Bonilla told GFO.

When the original grant was signed, the funding gap – i.e. the amount that would have allowed the original grant to be funded through to the end of 2017 – was \$87 million. However, in May 2016, \$10 million in savings from the original grant were identified, reducing the gap to \$77 million. The Global Fund is now able to fund this gap because the Finance and Operational Performance Committee said in March 2016 that \$700 million was available for portfolio optimisation (which includes funding shortened grants).

“Most of this extension is to cover the procurement of antiretrovirals (ARVs),” said Uliane Appolinário, also with the country team for Mozambique. “We have to ensure the continuation of those services.” In Mozambique, all HIV treatment is funded by external donors, with approximately 48% from the Global Fund and the remaining 52% from the U.S. Government.

(Despite this reliance on external funding for treatment, Mozambique’s 2014 concept note made no request for ARVs under the within allocation budget, but made a \$225.4 million above allocation request. However, the final budget of the approved grant included \$87.1 million for the procurement of ARVs, pre-ARV medicines, treatment adherence and treatment monitoring.)

While the costed grant extension for Mozambique’s HIV program is a necessary stop-gap to ensure the continuity of services – especially for treatment – it also presents an opportunity. Bonilla said that the additional investment is “building on the success that the program has demonstrated. The programme is performing extremely well.” Mozambique has contributed significantly to the Global Fund’s overall results, so there is confidence that the additional resources will translate into further impact.



Recent policy developments in treatment eligibility also create additional opportunity for impact

from the costed grant extension. In February 2016, Mozambique moved to CD4 500 eligibility for ART among the general population, which Bonilla called “a really massive scale up.” It was only in 2012 that Mozambique moved to CD4 350 eligibility.

Further, the country will begin rolling out universal test-and-treat (UTT) in 30 hotspot districts starting in July 2016, and there are plans to gradually expand UTT in 2017. Geospatial mapping shows that HIV in Mozambique is highly concentrated in just a few districts (see figure). This evidence was [recently presented](#) at the 21st International AIDS Conference in Durban, South Africa. Leucipo Gonçalves, the Executive Secretary of the Mozambique CCM, said that “the test-and-treat strategy is still being discussed, with various scenarios which have to be considered in order to make this process run smoothly.” Alongside this change, a recently-approved national policy on key populations also stipulates that there should be preferential access to treatment for sex workers, men who have sex with men, and other vulnerable groups. In December 2015, a high-level delegation visited the country in support of this new policy. The delegation included Mark Dybul, Executive Director of the Global Fund; Ambassador Deborah Birx, Coordinator of the United States Government Activities to Combat HIV/AIDS; and Michel Sidibé, Executive Director of UNAIDS .

Although the additional Global Fund investment is necessary, it is also not enough. The need for additional resources for Mozambique’ HIV response is clear. [Costing analyses](#) of Mozambique’s current national strategic plan on HIV/AIDS (2015-2019) suggest that program costs will increase from \$273 million in 2014 to \$433 million in 2019 in order to reach current targets. Modelling shows that an accelerated scale up would come with a price tag of \$495 million by 2019. This pales in comparison to the \$21 million in domestic resources allocated to both HIV and TB in 2013 (as cited in the 2014 concept note). The same costing analysis shows that Mozambique’s national targets for people who inject drugs and men who have sex with men are not in line with [global Fast-Track targets](#) .

It is likely that Mozambique will begin planning for its next cycle of Global Fund investment in early 2017. “Given the roll out of test-and-treat, we will need to ensure even greater involvement of civil society in the next round of funding,” said Gonçalves. “Modes of community-based service delivery will be absolutely necessary for the country to reach its treatment targets.”

Information for this article comes from the July 2016 report of the Secretariat’s Grant Approvals Committee to the Board (GF-B35-ER07). This document is not available on the Fund’s website.

See separate [GFO article](#) in this issue for an overview of the shortened grants for which funding was approved.

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