Aidspan
Independent observer of the Global Fund

BOARD APPROVES FUNDING TO EXTEND SHORTENED GRANTS

In July 2016, the Global Fund Board approved $388 million in funding for six shortened grants to allow them to continue to provide services from the original end date of their grants to the end of 2017. Of the $388 million, $383 million is new funding. It comes from the $700 million that the Finance and Operational Performance Committee said in March 2016 was available for portfolio optimization. The Board was acting on recommendations of the Technical Review Panel (TRP) and the Grants Approvals Committee (GAC).

The largest awards went Zimbabwe HIV ($143 million), Tanzania HIV ($109 million) and Mozambique HIV ($77 million). See the table for details.

In the balance of this article, we provide a summary of what the GAC said about the awards to shortened grants in Zimbabwe, Ghana, and Uganda. See separate GFO article in this issue on the award to Mozambique. GFO plans to write a separate article on the award to Tanzania in a future issue.

Table: Funding for country grants approved by the Global Fund, June 2016 ($ million)

Country (component)	Grant name	Principal recipient	Additional approved	
			Existing	New
Ghana (malaria)	GHA-M-AGAMAL	Anglo-Gold Ashanti	4.5 m	0.0 m
Mozambique (HIV)	MOZ-H-MOH	Ministry of Health	0.2 m	77.0 m
Tanzania (HIV)	TZA-H-MOF	Ministry of Finance	0.0 m	109.1
Uganda (malaria)	UGA-M-MoFPED	Min. of Fin., Plan., & Econ. Dev.	0.0 m	39.4 m

UGA-M-TASO	The AIDS Support Organisation	0.0 m	15.0 m	15.0 r
Zimbabwe (HIV)	ZIM-H-UNDP	UNDP	0.0 m	142.7
TOTALS			4.7 m	383.2

Zimbabwe (HIV)

Zimbabwe was awarded $143 million to extend its HIV grant, for which the PR is UNDP.

As an early applicant, Zimbabwe's HIV concept note dates back to April 2013. The Board initially approved $311 million for the grant, which had an end date of 31 December 2016. This was before the country allocations for 2014-2016 were known. A further $126 million was approved after the allocations were announced in March 2014. In November 2015, the Board awarded a further $25 million in incentive funding (as an early applicant, Zimbabwe was not immediately eligible to apply for incentive funding). Zimbabwe also received $6 million from the Children's Investment Fund Foundation to cover in initiative from the register of unqualified quality demand.

Thee Global Fund estimated that for Zimbabwe to maintain the same level of coverage in 2017, an additional $180 million would be required. As of May 2016, savings of $37 million had been identified, thus reducing the gap to $143 million.

According to the GAC, the goal of this extension funding is to sustain the trajectory of declining HIV infections and increased access to HIV treatment for Zimbabwe – in order to reach the tipping point where the number of new HIV infections per year becomes less than the number of people being initiated on ART. "This will be a major contribution to improving health, the economy, and human capital in Zimbabwe," the report said.

The GAC said that the Zimbabwe HIV program has performed well both programmatically and financially. The latest performance assessment in June 2015 rated the grant at a performance level of A2. Zimbabwe has succeeded in rapidly scaling up antiretroviral therapy, meeting 98% of its key ART target, as well as 85% of its prevention of mother-to-child transmission target, and 71% of the voluntary medical male circumcision target.

The GAC report said that the PR received a three-day training on the roll-out of its self-testing pilot, and that a national technical working group meets monthly with representatives of the World Health Organization to monitor the pilot.

Training was also provided to national, provincial, and district stakeholders, including government departments, to mainstream activities related to gender-based violence interventions for adolescent girls.

In April 2013, when the initial concept note for this program was submitted, the government commitment for the HIV program was $132 million. The money came partly from Zimbabwe's AIDS Levy, which is a 3% charge on the income tax assessed on individuals, companies, and trusts (see GFO article). Funding from this levy has increased significantly, from $5.7 million in 2009 to $38.6 million in 2014. However, the GAC said that the levy will be negatively affected by a persistent large current account deficit and rising unemployment.

Ghana (malaria)

Ghana received a relatively small award for its malaria grant, $4.5 million. All of the money came from savings and transfers from other malaria grants in Ghana.

Among the countries in sub-Saharan Africa, Ghana has made more progress than most in scaling up programs to control malaria, even though the entire 25 million population is considered at-risk for malaria transmission. Annual deaths from malaria declined from 6,054 in 2000 to 2,985 in 2013. Among children under the age of five, the number of deaths from malaria fell from 3,952 in 2000 to 1,348 in 2012.

The Global Fund has agreed to cover the cost of co-payments for artemisinin combination therapy through to the end of 2017. However, the Fund said that a transition plan is needed to ensure that these costs are eventually fully covered by the national malaria program budget.

Uganda (malaria)

Uganda received funding for two malaria grants, one managed by Ministry of Finance, Planning, and Economic Development; the other by The AIDS Support Organization (TASO). Of the $54 million in approved funding, 85% will be used for medicines and other health products, and related procurement and supply management costs.

The GAC said that the grant faces two key financial risks. The first is the risk of fraud, which is being addressed by strengthening the internal controls of the sub-recipients. The other source of risk is the delayed retirement of advances, which restricts the programs' cash flow for implementation, and makes the advances susceptible to misuse. This risk is being addressed through the implementation of the re-imbursement agreement with the PRs related to ineligible expenditures, and the heavy commoditization of the grants.

The GAC said that there is also a risk of treatment disruption because there has been a malaria outbreak in 2016, with reported cases higher than the corresponding period in 2015. The GAC said that additional funding is needed to supply life-saving commodities to address the upsurge. It said that the Secretariat is engaging the government and technical partners on how to best respond to the current outbreak, including how additional resources might be mobilized.

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.

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