



Independent observer
of the Global Fund

IDENTIFYING AND SOLVING COUNTRY-LEVEL IMPEDIMENTS TO FULL ABSORPTION OF GLOBAL FUND MONEY

In raising concerns about the ability of countries to achieve full absorption of Global Fund grants, delegations from the African constituencies on the Global Fund Board pointed to a range of challenges they said need to be addressed, including several that consistently appear at the country level.

These problems and the delays they create in disbursements are critical to understanding the failure to fully absorb the funding. When a grant is signed, a schedule of disbursements is included. If those disbursements are delayed, it can be difficult for the principal recipient (PR) to get program implementation back on track, provoking a chain reaction that ends in lapsed funding.

This is the second part of a Global Fund Observer series on concerns within the African constituencies about lapsed funding. This article discusses some of the in-country challenges to full absorption that were repeatedly raised by the delegations, as well as possible solutions.

To understand why funding is not fully absorbed, constituency delegations told Aidspan, one has to look at the causes of delayed disbursements. At the country level, they specifically identified (a) human resource capacity problems; (b) procurement difficulties; (c) gaps in data collection and analysis; and (d) shoddy construction of facilities that are used for Global Fund-related activities.

Human resources

Among the challenges, the delegations identified weaknesses within the health systems of many of the recipient countries, especially with respect to human resource capacity.

Ibrahim Tajudeen Olaitan, who was the focal person for the West and Central Africa delegation from 2013 to 2016, said some countries have not had enough PRs and sub-recipients (SRs) with the human resource capacity to fully meet Global Fund standards for implementation, monitoring and reporting on grant-related activities. This can create several problems. If the capacity problems are not recognized upfront, programs may simply underperform. Alternatively, it can slow the implementation process as PRs and – more frequently – SRs are trained to meet Global Fund standards. Both situations can result in missed targets or deadlines as well as delayed disbursements. Olaitan said the situation improved over his time as focal person as PRs and SRs became more familiar with Global Fund processes.

Grace Rwakarema, who is part of the Eastern and Southern Africa delegation on the Global Fund Board, and who sits on the Audit and Finance Committee, highlighted specific concerns about accounting capacity within some country-level health systems. She pointed to situations where deliveries of drugs and other Global Fund-supported commodities are not properly recorded, either when shipments are received in the country or when they are distributed to health facilities. The Global Fund has strict reporting standards to forestall potential theft, but Rwakarema said some national systems do not have the human resources to meet this standard. This can cause the Global Fund to delay disbursements until all of the items are properly accounted for.

Procurement

Rwakarema said this is also linked to problems some countries experience with procurement. The issues extend beyond accounting capacity, to slow suppliers who delay shipments. She said she is aware of situations where a government has signed contracts with suppliers, but has not received the drugs or commodities before the close of a reporting period. This can exacerbate existing weaknesses in the accounting system and cause problems when it comes time to submit grant reports, resulting in disbursement delays.

Additional problems can arise when the government budgeting and allocation systems are not aligned with those of the Global Fund, Rwakarema said. Money from the Global Fund may arrive to be applied towards purchasing a commodity, but the government may not yet have allocated its own money to supplement this funding. This can lead to delays in procurement, which can then slow down implementation and lead to delays in disbursements.

Data collection and reporting

Delays can also result from gaps in the collection and reporting of data. The lack of data leads some PRs to over- or under-budget, according to Syson Namaganda Laing, the Focal Point for the Eastern and Southern Africa delegation. Problems arise in two ways. If a project is over-budgeted, it can result in unspent money, which appears as inadequate absorption. The bigger concern, she said, is when not enough money is budgeted and PRs and SRs are unable to complete all of the activities outlined in a grant. This can delay future Global Fund disbursements as implementers attempt to source additional funding to meet agreed-upon targets or as they try to recalibrate their projects.

A possible solution, Laing said, is ring-fenced funding from the Global Fund for countries to invest in strengthening systems for collecting and analyzing data, which, in turn should help countries do a better job of forecasting.

Abdhalah Ziraba, who authored a 2016 [report](#) for the African Population and Health Research Center on absorption capacity among the African constituencies, told Aidspace that because funding from donors is limited, the onus falls on domestic governments to shore up some of these gaps in systems for procurement and data collection to help facilitate better absorption of Global Fund money.

“Countries must develop a plan [to improve these systems] and probably put some resources aside to make sure data are collected,” Ziraba said. He also called for PRs across the continent to share successful strategies.

Facilities

Laing said that delays are often caused by the shoddy construction of facilities. She referred to medical storage facilities which, even when contracted and paid for by local governments, must meet rigorous standards to house drugs and other commodities that are procured with Global Fund money. If they do not meet the standards, then the Global Fund can delay disbursements until the facilities are improved.

She said there was an opportunity for greater coordination at the outset among the stakeholders involved in or affected by these efforts to ensure facilities meet the necessary standards.

Prospective country evaluations

Members of the two sub-Saharan Africa Board delegations were enthusiastic about an initiative introduced by the Technical Evaluation Reference Group (TERG) in 2016 to conduct prospective country evaluations (PCEs). PCEs are systemic evaluations that provide a full picture of the implementation, effectiveness and impact of Global Fund-supported programs.

The PCEs, currently being rolled out in eight countries [see [GFO article](#)], will establish country platforms to conduct continuous monitoring and evaluation, learning and problem solving, according to the TERG 2017-2022 Work Plan.

Laing said delegations have high expectations for the PCEs.

“It could be a third eye that would help us highlight some of these bottlenecks,” she said, “to give a bird’s eye view of what is happening for the different players in the process, including how they affect grant implementation and absorption.”

The PCEs might also offer insight into exactly which of these or other hurdles create the most significant delays, which can then help focus efforts to design and implement solutions.

The next and final part of this series on absorption capacity will look at challenges delegations have identified at the Secretariat level and the potential solutions that are being considered.

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