Aidspan
Independent observer of the Global Fund

OIG commends progress made by Global Fund grants to Bangladesh, but says several challenges remain

Bangladesh has made significant progress in the fight against the three diseases. TB and drug-resistant TB treatment success rates are 94.6% and 73.0%, respectively. The country has low HIV prevalence among the general and key populations, except for people who inject drugs. Challenges remain in several areas, including low TB case detection rates, low coverage of HIV prevention and treatment interventions, and gaps in the supply chain.

These are the main conclusions of an audit by the Office of the Inspector General (OIG) of Global Fund grants to Bangladesh. A report on the audit was released on 22 December.

Sustained economic performance has helped to lift a significant proportion of the population of Bangladesh above the national poverty line, although it remains one of the poorest countries in the Southeast Asia region. Bangladesh attained lower-middle-income status in 2016. With an estimated population of 162 million at the end of 2016, Bangladesh is ranked 139th out of 188 countries in the UN Development Program's 2016 Human Development Index, and 145th out of 176 countries in the Transparency International's 2016 Corruption Perceptions Index.

Bangladesh has experienced political unrest and severe flooding which have affected health care delivery and programmatic results. It is one of the Global Fund's high-impact countries.

Politically, the country is divided into eight divisions including the capital and largest city, Dhaka, which is the political and economic center. The divisions are sub-divided into 64 districts (zilas) and 488 sub-districts (upazilas). The country does not have enough skilled health workers. Around 155,000 health workers (both clinical and non-clinical) were available at the Ministry of Health and Family Welfare

(MOHFW) in 2012 against expected staff size of about 187,500.

Bangladesh has seven active grants worth $117.0 million. Four of the grants are implemented by international NGOs, “mainly due to the weak capacity of the national programs,” the OIG stated. In the short term, this has meant that program targets are consistently met or exceeded; however, the OIG said, a longer-term transition plan is needed to address the capacity and leadership challenges in the national programs.

About two-thirds of Global Fund grants to Bangladesh are spent on procuring medicines and health products. There are significant weaknesses in the country’s supply chain processes and systems, which affect the storage and distribution of medicines financed by the Global Fund, the OIG reported. The Secretariat has instituted several measures, including parallel arrangements, to ensure that Global Fund–procured medicines are effectively distributed. Those measures have mitigated stock-outs at health facilities, the OIG said, but the underlying systemic weaknesses continue to impact supply chain arrangements.

The NGO PRs have generally effective financial management controls to support activities financed by Global Fund grants, the OIG said; however, there are significant financial control weaknesses at the National TB Control Program (NTP) which, as PR, is responsible for 27% of total grant funding.

The OIG audited grants managed by all four principal recipients (PRs). (See Table 1.) The audit covered the period July 2015 to December 2017.

Table 1: Active Global Fund grants to Bangladesh ($ million)

Principal recipient	Comp.	Grant name	Signed amount
BRAC	TB	BGD-T-CRAC	45.6 m
Ministry of Finance		BGD-T-NTP	31.7 m
BRAC	Malaria	BDG-M-BRAC	9.7 m
Ministry of Finance		BGD-M-NMCP	15.5 m
International Centre for Diarrhoea Disease Research	HIV	BGD-H-ICDDRB	5.8 m
Ministry of Finance		BGD-H-NASP	0.7 m
Save the Children Federation		BGD-H-SC	7.8 m
Total			116.9 m

Notes:
1. All grants had an end date of 31 December 2017 or just prior.
2. The MOF grants are implemented via the respective national disease programs in the MOHFW.

The OIG stated that a decline government funding has created a heavy dependence on donors for the delivery of programs. There are challenges concerning the government’s coordination of donor activities, resulting in gaps and potential duplication of activities, it added. Finally, although the availability of routine and survey data for decision making has improved, the OIG said, inaccurate recording and reporting compromise its reliability.

Table 2 lists the three areas assessed in the audit, and the OIG’s ratings and summary comments for each area.

Table 2: Bangladesh audit findings at-a-glance

AREA 1: Effectiveness of the implementation arrangements to ensure efficient and sustainableachievement of grant objectives	Rating: Partially effective

OIG comments: The implementation arrangements have supported the consistent achievement of the agreed programmatic performance targets. However, challenges in TB case detection, routine monitoring of patients and potential inefficiencies need to be addressed.

AREA 2: Effectiveness and efficiency of the procurement and supply chain to ensure availability of quality assured medicines and health commodities to patients	Rating: Partially effective

OIG comments: The Secretariat instituted several measures to ensure Global Fund procured medicines are effectively stored and distributed. Those measures mitigated stock-outs at health facilities but underlying systemic weaknesses continue to impact supply chain arrangements under the TB grants.

AREA 3: Design of the internal financial controls on incentive payments and apportionment of costs to Global Fund grants	Rating: Partially effective

OIG comments: Internal financial controls are adequately designed, but a number of issues identified at the National TB Program affect the effective management of grant funds.

The OIG has a four-tiered rating scheme, as follows: Effective; partially effective; needs significant improvement; ineffective.

ACHIEVEMENTS AND GOOD PRACTICES

The audit revealed the following achievements and good practices:

Good programmatic achievements. Bangladesh has reduced the mortality of children under five, and has made significant progress towards the other health-related Millennium Development Goals (MDGs). Global Fund grants have consistently achieved performance targets. For instance, the TB treatment success rate has been consistently above 90%. There was a decline in malaria-related deaths from 588 in 2002 to just nine in 2015. The country is working towards malaria elimination with 51 out of the 64 districts considered to be non-endemic.

Increased government financial commitment. The government has been funding the procurement of all antiretroviral medicines and other HIV-related commodities since 2012. The government has also committed to procuring all first line TB medicines from 2018 on. Its contribution to Bangladesh’s malaria programs is projected to increase significantly in the 2018–2020 implementation period of the grants. These financial commitments enable donors to focus resources on other critical aspects of health care delivery.

Interventions are targeted at high-risk and key populations. The HIV program employs drop-in centers to reach key populations in 23 high-priority districts. The centers provide access to information, resources and support services. This approach has increased access to HIV services in a country where stigma and discrimination are high. The malaria interventions target key populations such as refugees, ethnic groups living in hard-to-reach areas, high-risk mobile populations and migrants in the 13 malaria endemic districts.

Good community engagement in grant implementation. BRAC, the PR responsible for most outreach activities under the TB grant, has extensive community-level structures which ensure direct contact with TB patients. More than 67,000 TB volunteers are mapped to specific communities to diagnose TB cases quickly, ensure treatment adherence and contact tracing. A similar arrangement has been designed for the malaria program with over 1,900 volunteers providing health care in the 13 high-malaria-endemic areas and hard-to-reach areas.

The OIG also noted that Bangladesh has been exploring innovative measures approved by the World

Health Organization (WHO) to prevent and manage TB cases. For example, the country has started implementing short course multi-drug-resistant TB treatment.

KEY ISSUES AND RISKS

The audit report described several concerns, including the following:

- If left unaddressed, low case detection could compromise gains made against TB.
- There is low coverage of HIV prevention and treatment interventions.
- More operational efficiency and value for money are needed.
- There is a need to progressively build the capacity of the national disease programs for long-term transition from the NGO PRs.
- Gaps in the supply chain adversely affect the efficient and effective delivery of medicines and other commodities.
- Gaps in financial control systems may expose the grants to financial loss.

Below, we summarize the audit findings related to each of these concerns.

TB case detection

The OIG noted that a large proportion of case detections occur at advanced stages of the disease. It said that limited planning and use of diagnostic machines, as well as limited private sector engagement in TB screening, contribute to low case detection. Only 11% of reported TB cases in 2015 and 2016 were diagnosed using the GeneXpert machines. The OIG attributed the low utilization of the machines to four factors:

- Diagnostic algorithms are not updated to include molecular testing and to identify drug sensitive cases.
- There are delays in rolling out the machines.
- The machines are not well maintained.
- An effective sputum sample transport mechanism has yet to be implemented countrywide.

Although 62% of patients sought health care from private health facilities (according to a recent prevalence survey), the OIG stated, there are limited mechanisms to ensure that TB case notification is routinely carried out in those facilities. In 2014, the government made case notification in private health facilities mandatory, but this is yet to be systematically enforced. In addition, a mechanism for case referral from the private sector to public health facilities has yet to be defined.

HIV prevention and treatment interventions

The HIV epidemic in Bangladesh is concentrated among key populations, but access to prevention and treatment services is difficult for them, partially due to limited funding and to stigma and legal barriers, the OIG said. National coverage of prevention programs is at 35.0% for people who inject drugs, 25.0% for female sex workers, 23.6% for men who have sex with men (MSM), and 39.8% for transgender people. The OIG said there is an estimated funding gap of $123.5 million to support the scale-up of HIV services in the country.

A national consultation in May 2013 recognized stigma, discrimination and a challenging legal environment as impediments to the smooth delivery of HIV prevention services. The consultation made

recommendations and identified laws that needed to be revised, the OIG stated; however, the national program has not yet submitted these recommendations to the Law Commission.

The OIG said that routine monitoring of HIV patients needs to be improved. National guidelines call for routine CD4 and viral load testing. However, the audit found that testing equipment has not been optimally utilized. Only 567 CD4 tests were performed in 2015 and 2016, versus an estimated minimum requirement of 15,688 tests, the OIG said, based on the guidelines and the number of people living with HIV. The OIG said there has been no viral load testing since April 2016; and only 1,030 viral load tests were performed from August 2015 to April 2016, which is significantly below expected target of 8,956 tests. In addition, the OIG stated, the reagents required for the machines and related human resources were not fully available, which limited the use of the machines.

Operational efficiency, value for money

Sub-optimal coordination between implementers of Global Fund grants and the government's health sector development program results in duplication and overlap in the location of drop-in centers, the OIG said. Some districts have more drop-in centers than required while other high-priority districts have none. For example, there are two facilities for an estimated 191 injecting drug users in the Sylhet district while there is only one facility for 1,142 injecting drug users in the Comilla district.

Staff costs at one of the NGO PRs are 24.0% higher than staff costs at the other NGO PR (because human resource costs at the first PR are based on U.N. salary scales). This translates into differences in the cost of interventions. In addition, the two PRs use different approaches for HIV testing. One uses a whole-blood method at a cost of $5.49 per test, while the other uses a serum method at $11.27 per test. Studies conducted in Bangladesh revealed that in terms of quality, the whole-blood method is comparable to the serum method and, therefore, is more cost-efficient. Both PRs will be using the whole-blood method in future.

Capacity of national disease programs

In the opinion of the OIG, frequent changes in leadership at the national TB program has limited its ability to develop and implement capacity building plans. The line director with overall responsibility of the national programs has been changed seven times in the last two years.

Persistent weakness in the NTP has led the Global Fund to resort to using NGOs for the implementation of key components of the TB grants that had initially been assigned to the national program, the OIG stated. For example, the NTP significantly delayed the procurement and installation of diagnostic machines. The NGO PR managing the TB grant was engaged to procure the accessory equipment and arrange the renovations for the placement sites. The OIG stated that a transition plan has not yet been developed to build the capacity of the NTP and to gradually shift responsibilities to the national program.

Regarding HIV care, support and treatment, the OIG said, the government has indicated that it intends to assume responsibility for these programs from September 2017 on, but there are few transition arrangements in place and no clear plan to guide the transition. The ability of the public health facilities to provide the services is yet to be assessed, the OIG said; and staff required to manage and implement the interventions had not yet been recruited as of August 2017.

(Dr Lima Rahman, Chief of Party for the HIV/AIDS Program at Save the Children, Bangladesh, told Aidspan that the transition of the responsibility for care, support and treatment programs from the PLHIV networks, NGOs and community-based organizations to the government has started. The AIDS/STD Program [ASP] has held several planning meetings with the civil society groups. Training has been provided to staff at six government hospitals. ART service delivery from these hospitals started on 1

October 2017. About 2,500 patients had received ARVs from the hospitals by the end of October.

(Dr Rahman said,

“ASP has its own Operational Plan under the 4th Health Sector Program where care, treatment and support component is included. However, detail plan on approaches, service modalities, including CBOs engagement to ensure coverage and treatment adherence yet to develop. Broader stakeholder engagement to develop a comprehensive plan would be necessary.”

(As well, Dr Rahman stated, the government has to plan for how it will contract with the civil society groups to implement a community component. Save the Children, Bangladesh is the PR for one of the HIV grants.)

Supply chain

The Global Fund, along with the government and partners, finances a temporary central warehouse to store and distribute medicines. However, the OIG said, the effectiveness of the supply chain is adversely affected by delays in clearing goods from the port; inadequate storage conditions; and gaps in the management of expired commodities. The audit found that the NTP delayed port clearance of TB medicine for more than 30 days in 74.0% of cases in 2016 and 2017. In addition, the OIG said, there is limited space available at the central level for the storage of medicines and commodities. These constraints are preventing effective reconciliation of incoming shipments, stock rotations, physical counts, temperature and humidity controls and effective implementation of the first-expired-first-out principle at the central level. The OIG stated that a long-term solution to good storage, warehouse management and distribution needs to be developed.

Financial controls

The OIG reported that fiduciary controls at the NTP have remained weak despite measures taken by the Secretariat to address the problem, including hiring an international independent financial consultant.

In addition, the OIG said, there is a need to improve financial monitoring of sub-recipients (SRs) by BRAC, one of the two NGO PRs. BRAC implements its interventions through 47 SRs and 389 field offices. It has a team of 23 staff that provide onsite financial and programmatic oversight over the SRs. The OIG stated that BRAC is yet to develop a risk-based oversight and management plan for the SRs. As a result, it said, there is no difference in how BRAC oversees each of the 47 SRs, despite significant variations in their grant size and risk level. BRAC’s internal assurance mechanisms are not always able to identify significant issues at the SRs. For example, despite regular onsite visits to SRs, BRAC had not identified material issues reported by the local fund agent (LFA) in nine different reviews conducted in 2016.

PREVIOUSLY IDENTIFIED ISSUES

The OIG last audited grants to Bangladesh in 2011. That audit identified weaknesses mainly in financial management, procurement and supply chain management. The OIG said that the latest audit noted improvement in the financial management of the portfolio, largely due to the strengthening of internal financial controls at the NGO PRs. However, it added, the financial controls at the national TB program have not improved since the 2011 audit.

Unsupported expenditures of $2.1 million were identified in the last audit (and a subsequent investigation). Bangladesh has not paid back this amount. The Global Fund had to resort to its allocation reduction approach whereby the Fund reduced the country’s 2014–2016 allocation by double the recoverable amount.

Since the 2011 audit, there has been some improvement in the supply chain management of the HIV and

malaria programs with significant reduction in stock-outs and expiries, the OIG stated. However, there are still major challenges in the procurement and supply chain systems for the TB grant due to the capacity constraints at the NTP.

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