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WHILE TURNING THE PAGE ON A FINANCIAL SCANDAL, MALAWI STILL CONFRONTING CHALLENGES IN PRIORITIZING HIV INTERVENTIONS

Seeking to turn the page on a financial scandal involving the National AIDS Commission, Malawi has appointed new principal recipients to administer the \$574 million it was allocated to fight HIV.

The country submitted its note on 30 January, in time for the fifth window of submission in the new funding model. International NGOs ActionAID and WorldVision, as well as the Ministry of Health (MoH), were chosen as the new PRs, replacing the National AIDS Commission, which has been embroiled in a financial scandal since its former executive director was found to have misappropriated hundreds of thousands of dollars.

Sources within the country coordinating mechanism (CCM) told Aidspan that during a recent visit, a Global Fund delegation expressed continued concerns about the financial management at the Ministry of Health, but kept the state body as PR because it is the only agency with the facilities to handle the biomedical component of interventions. The choice of MoH, WorldVision and ActionAID as PRs preceded the visit by the Fund delegation.

These concerns echoed a March 2014 letter from the Fund Secretariat, in which it was announced that “the overall performance of the current PRs have been downgraded to B2 ‘inadequate’ due mainly to weaknesses in financial management, which led to ineligible or unsupported expenditures and delays in external audit”.

External audits conducted for 2011-2012 found some \$1.4 million in ineligible or unsupported expenditures. An audit report for 2012-2013 has yet to be completed; there has been no indication of

when an audit for financial year 2013-2014 will even be initiated.

Malawi has, however, begun to implement public financial management reforms as well as measures to strengthen its procurement and supply chain management systems, as well as installing a fiscal agent at the MoH.

Still, there are other challenges beyond financial management. Civil society representatives meeting with the Fund delegation raised a number of concerns about how they were not adequately represented in the country dialogue or in the development of the HIV/TB concept note, and the impact that has had in the note submitted in late January.

Representatives from key population groups also noted that there was little attention in the concept note to addressing the legal and policy environment in which they are operating. Stigma and discrimination have become institutionalized in Malawi, one of 34 countries in sub-Saharan Africa with legislation that makes it a crime to be gay. There are also no anti-discrimination laws in place that offer redress for people living with HIV to report those who would bar them from accessing services.

Budgets allocated to various activities were profoundly imbalanced, they said, with most of the funds going to treatment and very little set aside for prevention and critical enablers: those activities that help ensure that programs actually work effectively. Both prevention and critical enablers are typically the purview of civil society, while government is generally responsible for treatment activities.

Nor does the concept note invest enough resources in community systems strengthening, according to conversations Aidspace had with representatives of civil society, slashing the size of the CSS budget from \$8 million under the Round 8 grant to \$1 million over the NFM allocation period from 2015-2017. An increase of \$30 million in domestic financing over the next three years could address these gaps.

The Global Fund team, during its visit, encouraged more work on the note to respond to these concerns, but very little was done to modify the note that was submitted in time for Window 5. It is likely that these areas of consideration will be flagged during the review, expected in March, by the Technical Review Panel.

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