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Independent observer  
of the Global Fund

## DIAGNOSTIC REVIEW FINDS THAT ERITREA HAS USED GRANT FUNDS CONSTRUCTIVELY TO STRENGTHEN HEALTH SYSTEMS

Eritrea has used Global Fund resources from a number of grants constructively to strengthen its national health systems, a diagnostic review of the country's grants released by the Office of Inspector General (OIG) has found. The review identified other good practices. But it also revealed weaknesses in programme management and in financial and procurement systems.

The review was conducted from 16 April to 4 May 2012. It covered the five grants to Eritrea that were active at the time of the review, which had a total budget of \$79 million of which \$54 million had been disbursed. The principal recipient (PR) for all the grants was the Ministry of Health (MOH). The grants are administered by the Project Management Unit (PMU) of the MOH.

A diagnostic review is different from a country audit in that no overall opinions are provided and no assurance is given regarding how grant funds were spent. This review sought to identify and share good practices as well as identify key weaknesses in the implementation of Global Fund grants.

The OIG review identified several good practices. Concerning Eritrea's national health systems, the OIG singled out the practice of providing pre-service training for associated nurses. The OIG described this as a "remarkable initiative not commonly seen in Global Fund-supported programmes."

The OIG found that Global Fund resources have been used to strengthen national systems instead of creating parallel grant-specific systems and processes. In addition, the OIG noted that there was comprehensive verification of sub-recipient expenditures in Eritrea.

According to the OIG, the government has produced clear and comprehensive guidelines and tools for

the supervision of the lower-level health facilities.

The OIG also identified several weaknesses in Global Fund grants in Eritrea. The OIG said that Eritrea faces a general shortage of human resources in health, which is made worse by high attrition rates and considerable mobility of staff. According to the OIG, this has had negative consequences in several areas, such as quality control of laboratory services, infant diagnosis of HIV infection, supervision of HIV and tuberculosis services, and data management.

The OIG noted that programme mobility in Eritrea is limited by difficulties in obtaining vehicles. Almost all government vehicles in Eritrea are administered by public service car pools at central and zoba (i.e regional) levels, including vehicles bought with Global Fund support. A programme officer who requires a vehicle for supervision or data quality control has to apply to the pool and will be allocated a vehicle based on availability. This is a process that can take several weeks and is subject to cancellation at short notice.

The OIG said that in order to circumvent this process, the programmes are making use of private hire vehicles, which are costly. Next to human resources constraints, the difficulties in obtaining vehicles were cited by programme coordinators and supervisors as the main reason for not conducting planned supervision and quality control visits.

The OIG said that another major weakness in Global Fund grants in Eritrea is a gap in knowledge about risk groups and risk behaviours. The OIG noted that prevention programming for men who have sex with men (MSM) is compromised by the fact that same sex relationships are not legal in Eritrea.

The OIG observed a number of weaknesses in tuberculosis control in Eritrea. They include declining treatment success rates since 2008; declining case notification rates since 2005, and inconsistent programme guidance and service provision for paediatric tuberculosis.

The OIG said that Eritrea has not defined national standards for drug management. The lack of standardisation creates serious challenges for the quantification and management of national stocks.

With regard to the weaknesses in the review identified in procurement and supply management (PSM), the OIG said that the MOH has agreed to do the following:

- define national standards for drug management and prepare technical specifications for the new logistics management information system;
- strengthen procurement procedures, including ensuring appropriate training for staff in PSM policies and good procurement practices, updating and streamlining bid documents, strengthening penalty clauses in contracts and implementing a formal supplier performance monitoring system;
- improve quality assurance mechanisms by providing training to staff in drug registration and prequalification procedures, and ensuring compliance with the Global Fund policy for quality control testing of drug samples; and
- take measures to minimise the risk of loss of inventory by reducing the fire hazard in warehouses and insuring warehouses.

With regard to finance and administration, the OIG said that the MOH has agreed to strengthen financial controls by ensuring adherence to established procedures, improving segregation of duties, and making improvements to the accounting software. Controls will be strengthened over accountability for fixed assets, training expenditure and per diem payments. Additionally, the MOH has agreed to ensure that all income from social marketing activities is reported to the Global Fund and used for programme purposes.

In a letter to the Global Fund following the review, Eritrea CCM Chairman Woldai Futur said that “CCM Eritrea believes that the draft report is well structured, balanced, frank and quite objective.”

