Independent observer of the Global Fund

Global Fund Observer

NEWSLETTER

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1. NEWS: Global Fund Board approves $36 million for country and multicountry grants

BY DAVID GARMAISE

In the latest batch of funding approvals from the Global Fund Board, three country grants and two multicountry grants were awarded $36 million. The Board also approved funding in the amount of $66 million for interventions on the Unfunded Quality Demand Register. Some of the funding for the UQD interventions came from private sector contributions.

2. NEWS: First OIG audit of Global Fund multicountry grants gives 'partially effective' ratings

BY ADÈLE SULCAS

The Global Fund's multicountry grants have been designed to address cross-border issues and bottlenecks in HIV, TB and malaria programs that single-country grants cannot resolve on their own. Multicountry grants have improved regional responses to the diseases but the grants have faced considerable implementation challenges. The OIG's first audit of multicountry grants, based on a sample of seven and including a pioneering five-country malaria initiative, highlights systems, processes, governance and coordination issues.

3. FEATURE: Global Fund's new HIV and TB multicountry grants in Eastern Europe and Central Asia begin implementation

BY IVAN VARENTSOV

Two multicountry Global Fund grants in Eastern Europe and Central Asia, for TB and HIV, were approved in December 2018 by the Global Fund Board, for a total of $18 million. Implementation began on 1 January 2019, but there is lingering concern among applicants regarding the effectiveness of the competitive approach prescribed by the Global Fund for the application process. A member of one of the applicant organizations, the Eurasian Harm Reduction Association, reports on some applicants' concerns.

4. FROM THE FIELD: South Africa confronts HIV prevention challenge for adolescent girls and young women with new Global Fund grant

BY KEITH MIENIES

With the world's largest HIV epidemic, and one third of all new HIV infections in the country affecting adolescent girls and young women, South Africa faces a monumental challenge in addressing prevention for the youth population. With the biggest Global Fund investment so far in a program focused on adolescent girls and young women, South Africa will take this on, targeting not only youth but also their sexual partners, caregivers and communities.

5. NEWS: Second OIG audit in Madagascar reveals that program management, supply chain and financial systems need improvement

BY ADÈLE SULCAS

In its second audit of Global Fund grants to Madagascar, the Office of the Inspector General presented a mixed opinion on the performance of the country's portfolio. While Madagascar has made good progress against the three diseases, the OIG said, the country still faces serious challenges within program management and supervision, and further improvements are needed in supply chain and financial systems and controls.

6. NOTICE: NGOs call on Global Fund Board to sustain catalytic investments in harm reduction in next allocation cycle

BY CHARLIE BARAN

Harm Reduction International and Frontline AIDS (formerly known as the International HIV/AIDS Alliance) released a joint briefing in January urging the Global Fund Board to sustain investments in harm reduction interventions, in advance of the Fund's upcoming decision at its May Board meeting on its allocation methodology and catalytic funding priorities for the 2020-2022 period.

7. ANNOUNCEMENT: Global Fund Advocates Network launches 'tools and resources' to support advocacy for the Global Fund's Sixth Replenishment

BY AIDSPAN STAFF

The Global Fund Advocates Network has developed a web page listing a number of resources for advocates relating to the Global Fund's Sixth Replenishment.

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ARTICLES:

1. NEWS: Global Fund Board approves $36 million for country and multicountry grants

Another $66 million was approved for interventions on the UQD Register

David Garmaise **25 February 2019**

On 31 January 2019, the Global Fund Board approved three country grants worth $13.4 million. It also approved two multicountry grants valued at $22.5 million. The Board was acting on the recommendations of the Technical Review Panel (TRP) and the Grant Approvals Committee (GAC). See Tables 1 and 2 for listings of the country and multicountry grants.

By Aidspan's count, this was the 16th batch of approvals from the 2017–2019 allocations. The country grants emanated from funding requests submitted by the Dominican Republic, Nicaragua and Sri Lanka. Interventions totaling $61,187 from the Sri Lanka request were added to the Unfunded Quality Demand (UQD) Register. Domestic commitments for the programs included in the approved country grants amounted to $97.3 million.

Table 1: Country grants approved from the 2017–2019 allocations — 16th batch ($)

Applicant	Com-ponent	Grant name	Principal recipient	Amount approved [1]	UQD	Domestic commitment [2]
Dom. Rep.	TB	DOM-T-MISPAS	MSPAS [3]	4,493,840	0	65,136,311
Nicaragua	Malaria	NIC-M-REDNICA	REDNICA [3]	6,435,536	0	12,809,045
Sri Lanka	Malaria	LKA-M-MOH	Ministry of Health	2,499,878	61,187	19,320,177
			Total	**13,429,254**	**61,187**	**97,265,533**

Notes:

1. *Amounts shown are upper ceilings.*
2. *The domestic commitments shown are for the disease programs and exclude RSSH.*
3. *MSPAS = African Ministry of Public Health and Social Assistance | REDNICA = Federación RED NICASALUD*

As is customary, the approved funding is subject to availability of funding and will be committed in annual tranches.

In its report to the Board, the GAC said that the grants were found to be disbursement-ready by the Secretariat after a thorough review process and in consultation with partners. During

grant-making, the GAC said, each applicant refined the grant documents, addressed issues raised by the TRP and the GAC, and sought efficiencies where possible.

Table 2: Multicountry grants approved from the 2017–2019 allocations –– 16th batch ($)

Applicant	Grant name	Principal recipient	Amount approved	UQD
Multicountry SEA HIV	QMZ-H-AFAO	AFAO [1]	12,500,000	957,220
Multicountry TB Asia	QMZ-T-UNOPS	UNOPS [2]	9,999,999	6,248,347
		Total	**22,499,999**	**7,205,567**

Note:

1. *AFAO = Australian Federation of AIDS Organizations*
2. *UNOPS = United Nations Office for Project Services*

The Global Fund Board also approved funding in the amount of $66.1 million for several interventions on the UQD Register. The funds will be added to eight grants in six countries and to one multicountry grant. The sources of these funds are portfolio optimization, private sector contributions and Debt2Health. See Table 3 (below) for details.

This was the largest award to date for UQD interventions from the 2017–2019 allocations. Previously, the Board approved funding for interventions to be added to the following grants: Burundi malaria, Philippines TB, Rwanda malaria and Pakistan malaria.

In 2018, the Global Fund Secretariat applied the Prioritization Framework approved by the Strategy Committee to prioritize interventions on the UQD Register. The Audit and Finance Committee determined that $250.0 million was available for portfolio optimization. The Board has been awarding funding on a case-by-case basis, aligned with in-country planning timelines and programmatic needs.

Table 3: Additional funding for UQD interventions from the 2017–2019 allocations

Applicant	Com-ponent	Grant name	Principal recipient	Funding source [1]	Amount approved ($)	Revised program budget ($)
Cameroon [2]	HIV	CMR-H-MOH	Ministry of Health	PO	703,555	97,269,756
Democratic Republic of Congo	Malaria	COD-M-SANRU	SANRU [3]	PO	17,413,509	296,534,487
				D2H	3,403,503	0
		COD-M-MOH	Ministry of Health	PO	8,586,491	83,495,104
Haiti	Malaria	HTI-M-PSI	Population Services International	PSC	750,000	22,350,000
	TB/HIV	HTI-C-PSI		PSC	2,250,000	86,362,929
MC MOSASWA	Malaria	QPA-M-LSDI	LSDI [3]	PSC	2,773,488	12,553,488
Namibia	TB/HIV	NAM-C-MOH	Ministry of Health	PO	1,599,000	30,731,416
Niger [2]	Malaria	NER-M-CRS	CRS [3]	PO	5,228,806	56,264,071
Uganda	HIV	UGA-H-MoFPED	MoFPED [3]	PO	23,353,149	271,565,274
				Total	**66,061,501**	**957,126,525**

Notes:

1. *PO = Portfolio optimization | D2H = Debt2Health | PSC = Private sector contribution*
2. *For grants denominated in euros, an exchange rate of 1 euro = 1.1477 dollars was used.*
3. *SANRU = Soins de Santé Primaires en Milieu Rural | LSDI = Lubombo Spatial Development Initiative | CRS = Catholic Relief Services | MoFPED = Ministry of Finance, Planning and Economic Development*

In its report, the GAC provided comments on all of the country and multicountry grants for which funding was awarded. Below, we provide a summary of the GAC's comments.

Country grants funded from the 2017–2019 allocations

Dominican Republic TB (DOM-T-MSPAS)

As an upper-middle-income country with less than a high burden of TB, the Dominican Republic's allocation for 2017–2019 consisted of transition funding.

The Ministry of Public Health and Social assistance, the principal recipient (PR) for the approved grant, prepared a transition workplan for the 2019-2021 period with the following objectives:

- Maintain and expand achievements made to date in TB control;
- Implement innovative strategies to make public spending more efficient in the national response to TB; and
- Mobilize national resources to ensure a complete transition towards financing the national response to TB with domestic resources.

The goal of the grant, which will be implemented in 2019–2021, is to maintain and expand efforts to control TB during the transition phase using national resources.

According to the country's National Development Strategy, the Government of the Dominican Republic is committed to increasing health expenditures to 5% of the country's gross domestic product by 2030. The government projects that health spending as a percentage of overall government spending will progressively increase from 18% in 2016–2018 to 19% in 2019–2021.

The government said that it will significantly increase domestic funding for TB during 2019–2021. According to the GAC, this is supported by the inclusion of the TB program among programs using results-based budgeting and by signed transition commitments.

While the GAC welcomed the government's "strong commitment" to fulfill its co-financing requirements, the PR has been requested to provide an annual report demonstrating (a) compliance with the requirements; and (b) fulfilment of the key milestones in the transition workplan (including progress on gradually transferring the costs of Global Fund–supported activities to the national budget).

The transition workplan calls for (among other things) improving procurement processes to avoid stock-outs; and improving treatment outcomes.

The GAC acknowledged that challenges were anticipated with respect to the PR's capacity to achieve inter-institutional agreements with other government agencies and to efficiently use

the available domestic and external resources, but it deemed that the grant's work plans adequately address these challenges.

Nicaragua malaria (NIC-M-REDNICA)

There has been a steady increase in the number of malaria cases in Nicaragua, from 692 in 2010 to 10,944 in 2017. The malaria grant aims to reduce the number of malaria cases by 90% by 2021.

According to the GAC, starting in April 2018, Nicaragua experienced civil and political unrest, which impacted all Global Fund–supported programs. Between April and July 2018, there were instances of violence and roadblocks across the country. Since then, the programs gradually returned to normal. However, tensions persist, the GAC noted.

In light of this, REDNICA, the PR, is working with another Global Fund-supported program, the Regional Malaria Elimination Initiative (RMEI), managed by the Inter-American Development Bank (IDB), with the aim of maximizing the impact of the interventions of the program funded through this grant while reducing the implementation risks.

Funds from the Nicaragua grant will be used to purchase long-lasting insecticide-treated bed nets (LLINs) and insecticides to be distributed in areas covered by IDB's financing; and the IDB, in return, will finance some of the activities originally budgeted under Nicaragua's malaria grant.

In addition to purchasing and distributing LLINs, Nicaragua's grant will cover indoor residual spraying (IRS) and the scale-up of diagnostic testing and treatment – complemented by community interventions – in eight municipalities with the highest burden of malaria transmission. These municipalities represent more than 97% of all nationally reported malaria cases. The grant will also include LLINs and insecticide for IRS to cover the needs of 28 other prioritized municipalities.

The Government of Nicaragua has committed to increasing domestic financing beyond what is needed to meet its co-financing requirements. Nevertheless, given the political climate in the country, measures have been put in place to monitor the realization of the commitments. The GAC said that the political climate has already led several donors to withdraw their support.

Sri Lanka malaria (LKA-M-MOH)

Sri Lanka has been certified malaria-free by the World Health Organization (WHO) since 2016. This grant is designed to prevent the re-introduction of malaria. It is a transition grant; and it also a national strategy–based grant using a payment-for-results modality, meaning that funds will only be disbursed upon completion of a workplan tracking measures specified in the performance framework.

The GAC said that the grant faces some challenges, including the following:

- There are challenges regarding procurement of small quantities of commodities and health products through domestic funding. The GAC recommended that Sri Lanka make use of Wambo.org, the Global Fund's online procurement tool.
- There are challenges related to human resources, mainly due to the change from pre-elimination of malaria to elimination and prevention of reintroduction. The government has taken over responsibility for all staff positions, but there is a need to develop a human-resources and capacity-building plan adapted to the 'prevention of re-introduction' phase.

Multicountry grants funded from the 2017–2019 allocations

TB Asia UNOPS (QMZ-T-UNOPS)

This grant will address the burden of TB among migrants in the Greater Mekong sub-region, with a particular emphasis on identifying and treating missing TB cases in the participating countries (Cambodia, Lao, Myanmar, Thailand and Vietnam). The main target populations are documented and undocumented cross-border migrants and refugees, both in camps and in urban settings.

The grant has the following objectives:

- Increase the sensitivity of service providers to migrant health;
- Improve access to TB services;
- Strengthen monitoring and evaluation of TB in migrants;
- Support the development of policies and legal frameworks to improve TB care for migrants; and
- Maintain partnerships and multicountry frameworks to support TB care in the region.

The GAC said that there are uncertainties regarding the coverage of health insurance costs by the Government of Thailand, where elections are scheduled for March 2019.

HIV SEA (QMZ-H-AFAO)

This new grant, which covers eight countries in South-East Asia (Bhutan, Lao, Malaysia, Sri Lanka, Mongolia, Papua New Guinea, Philippines and Timor Leste), builds on existing Global Fund-supported programs for key populations and aims to promote sustainable services specifically for key populations at higher risk of HIV exposure.

The goal of the grant is to stop new transmissions of HIV and AIDS-related deaths by 2030. The region not currently on track to meet these goals, the GAC said.

The GAC commended the innovative design of the grant, which facilitates continued financing for advocacy efforts at the end of this grant by securing an additional $2.5 million from external sources prior to the disbursement of the final $2.5 million from the grant itself.

Additional funding for UQD interventions

Cameroon HIV (CMR-H-MOH). The funding ($703,555) will pay for additional viral load tests (50,000 in 2018, 60,000 in 2019 and 80,000 in 2020). The tests will enable the PR, the Ministry of Health, to (a) monitor the quality and efficacy of antiretroviral therapy (ART) for people currently being treated; and (b) conduct early infant diagnosis. The national program reported that 253,000 people were receiving ART at the end of December 2017, up from 206,000 in December 2016 and 154,000 in December 2015. According to a 2016 survey, there are an estimated 560,000 people living with HIV in Cameroon.

Democratic Republic of Congo malaria (COD-M-MOH and COD-M-SANRU). The funding ($20.8 million) will pay for mass distribution of LLINs, particularly in eight of DRC's 26 provinces (Kongo Central, Kasaï, Kinshasa, Maniema, Tshopo, Ituri, Haut-Uele and Bas-Uele) which have an estimated population of 34.2 million (about 30% of the total population of DRC). Of the $20.8 million in funding, $3.4 million comes from a Debt2Health swap with Spain, which will cancel $8.3 million in bilateral loans owed by DRC. The bed-net campaign is also supported by the Against Malaria Foundation (AMF) which is donating 11.7 million LLINs.

The above investments, coupled with contributions from the (U.S.) President's Malaria Initiative and from efficiencies in grant implementation, will enable DRC to maintain universal bed-net coverage and ultimately contribute to reducing incidence and mortality rates by 40% (key objectives of the 2016-2020 national strategic plan).

Haiti malaria and TB/HIV (HTI-M-PSI and HTI-C-PSI). The malaria funding ($750,000) will allow Haiti to increase coverage of bed nets distributed routinely to pregnant women attending ante-natal clinics that are situated in areas with high risk of malaria transmission, and are not covered by the current grant. The HIV portion of the $2.3 million for TB/HIV focuses on pregnant women and aims to increase adherence to treatment and improve treatment outcomes. Community health workers will include active case finding of an estimated 4,000 pregnant women lost to follow-up on ante-natal care. In addition, support groups for HIV-positive women who have recently given birth will be created.

The TB portion will fund community health workers (CHWs) to perform outreach activities and actively search for people showing signs of possible TB infection. The CHWs will link them with health centers where they can get tested and, if appropriate, treated. Particular emphasis will be put on ensuring isoniazid preventive therapy (IPT) for an estimated 12,957 children who have been in contact with TB patients.

Namibia TB/HIV (NAM-C-MOH). The funding ($1.6 million) will cover the salaries and work of 150 field promoters for two years. In Namibia, given the sparse population and extreme TB burden, field promoters are key to the TB response. They enable Namibia to maintain the achievements in detection rates, to expand TB case finding, and to provide treatment support, including for patients with drug-resistant TB.

In the 2014-2016 allocation period, Global Fund financing supported 510 field promoters. However, the 2017-2019 allocation supported less than one-third that number.

Niger malaria (NER-M-CRS). The funding ($5.2 million) will pay for seasonal malaria chemoprevention (SMC) drugs in 2019 initially planned to be funded by the Crush Malaria Initiative (CMI). This will allow CMI to fund a portion of the SMC gap in 2020 (reflected in other initiatives on the UQD Register). The SMC drugs will enable Niger to reduce under-five mortality rates, a top priority for its malaria programs.

Uganda HIV (UGA-M-MoFPED). The funding ($23.4 million) will ensure (a) improved access to and use of condoms for high-risk sex; (b) greater availability of HIV test kits; (c) improved program capacity for HIV testing; and (d) improved access to and retention in care and treatment through strengthened differentiated-service delivery models.

MOSASWA malaria regional grant (QPA-M-LSDI). This grant is a public-private cross-border initiative involving Mozambique, South Africa and eSwatini (formerly Swaziland). The funding ($2.8 million), which was contributed by the Gates Foundation, will enable the grant to expand IRS activities, CHW programs and IEC/BCC programs. (IEC = Information, education and communication; BCC = behavior change communication.) The programs supported by the MOSASWA grant will also receive catalytic funding from the Global Fund's 2017-2019 allocations.

*In **GFO 349**, Aidspan reported on the 15th batch of grant approvals. In **GFO 345** and **GFO 347**, Aidspan reported on the 12th, 13th and 14th batches of grant approvals and also listed the grants approved in the 10th and 11th batches. Aidspan reported on the ninth batch of grant approvals **here**; that article contains links to GFO articles on the first eight batches.*

Most of the information for this article was taken from Board Document GF-B40-ER04 ("Electronic Report to the Board: Report of the Secretariat's Grant Approvals Committee"), undated. This document is not available on the Global Fund website.

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2. NEWS: First OIG audit of Global Fund multicountry grants gives 'partially effective' ratings

Processes, systems, governance and coordination among issues that need improvement

Adèle Sulcas **26 February 2019**

In the first-ever audit by the Office of the Inspector General (OIG) of the Global Fund's multicountry grants, the OIG has praised their strategic repositioning for greater impact as well as some improvements in regional coordination on specific issues.

However, the OIG says, the multicountry grants' implementation arrangements need to be improved, and the Secretariat's resource allocation, processes and systems need to be better tailored for the different demands and management needs of cross-country programs.

The audit also found that one specific, pioneering program to combat malaria in the Greater Mekong region – focused especially on resistance to antimalarial drugs – continues to face challenges.

The audit report was published on 14 February 2019.

The Global Fund created multicountry grants in order to strengthen programs' attempts to tackle regional bottlenecks and cross-border issues – "diseases don't respect borders," as the Fund's website says. Through multicountry funding, the Global Fund is addressing three "key multicountry priorities" considered critical in fulfilling the Fund's Strategy 2017-2022, and which cannot be addressed through country allocations along. These priorities, approved by the Board as part of the broader $800-million catalytic funding envelope, are: Malaria elimination in low-burden countries ($145m); finding the missed people with TB ($65m), and sustainability of HIV services for key populations ($50m).

The objective of the OIG audit was to assess the design and effectiveness of multicountry processes and policies in achieving grant objectives – which can differ in their nature to those for national grants. The audit also considered future design arrangements for the implementation of multicountry grants.

The audit reviewed a sample of seven multicountry grants out of the 34 that were active over the review period. These seven grants had a combined investment of $205.9 million, out of a total of $358 million, and included the Regional Artemisinin Initiative (RAI).

The audit reviewed a two-year period, from January 2016 to December 2017.

Table 1: Global Fund multicountry grants included in the OIG audit

Grant name	Grant no.	Region	Grant period	Budget [1] (US$)
RCM Regional Steering Committee for the Regional Artemisinin Initiative (RAI)	QMU-M-UNOPS	Southern and Eastern Asia	1 Jan 2014 – 31 Dec 2017[1]	116,000,000 [2]
Caribbean Vulnerable Communities Coalition (CVS) and El Centro de Orientacion e Investigacion Intergral	QRA-H-CVC	Latin America and the Caribbean	1 Oct 2016 – 30 Sept 2019	8,000,000 [3]
ICO East Europe and Central Asia Union of PLHIV (ECUO)	QMZ-H-ECUO	Eastern Europe and Central Asia	1 Nov 2015 – 31 Oct 2018	5,600,000 [4]
RCM Abidjan-Lagos Corridor Organization (OCAL)	QPF-H-ALCO	Western Africa	1 Jan 2016 – 31 Dec 2018	11,700,000 [5]
Multicountry South Asia (MSA)	MSA-910-G02-H	Southern and Eastern Asia	1 Jul 2013 – 31 Dec 2018	16,800,000 [6]

Malaria Elimination in Southern Africa	QPA-M-E8S	Southern Africa	1 Oct 2015 – 30 Sept 2018	17,800,000 [7]
Southern Africa Regional Coordinating Mechanism (SARCM, now TIMS [9])	QPA-T-WHC	Eastern and Southern Africa	1 Jan 2016 – 31 Dec 2017	30,000,000 [8]
Total grants sampled				**205,900,000**

Notes:

(1) The amounts given in the 'Budget' column of the grants table on page 10 of OIG report reflect amounts allocated up to the point at which the OIG reviewed those grants; in most cases these differ from the signed grant amounts, therefore comparisons with grant information on the Global Fund website will yield discrepancies.
(2) $100m was the allocation amount for 2014-2016; additional allocation for a 1-year extension was $16m. The signed amount for this grant across allocation periods 2014-2016, 2017, 2018-2020 is $347m.
(3) $8m is the full allocation; $7.38m is the signed amount.
(4) $5.6m is the full allocation; $4.59m is the signed amount.
(5) $11.7m is the full allocation; $9.5m is the signed amount.
(6) $16.8m is the full allocation; $14.2 is the signed amount.
(7) $17.8m was the allocation for 2014-2016; a continuation of the grant was signed at the start of 2018.
(8) $30m was the allocation for 2014-2016; $14.2m was allocated for the next allocation period.
(9) 'TIMS' refers to 'Tuberculosis in Mines'.

Key achievements and good practices

The OIG pointed out five key achievements and good practices within the grants reviewed, stating that:

a) Multicountry grants have been strategically repositioned to achieve greater impact, since the April 2016 adoption by the Global Fund Board of a refined allocation methodology designed to increase the impact of its investments through so-called 'catalytic' investments
b) Multicountry grants have facilitated regionally coordinated responses and integrated approaches to addressing regional issues; the examples given include malaria elimination, tuberculosis in mining communities, and access to services for refugees, migrants, and other mobile populations.
c) Multicountry grants have been helpful in strengthening governments' and partners' commitments to addressing cross-border issues, for example mobilizing additional funds from the private sector and partners to support the regional grants.
d) Multicountry grants have facilitated the creation of multilateral platforms to oversee grant implementation. This inclusion of governments, partners, civil society and people living with the diseases has enhanced intercountry collaboration and information sharing.
e) A competitive grant application process for multicountry grants (via Requests for Proposals published on the Global Fund website four to six months before the submission window) has generated new ideas and innovations (this observed by the Technical Review Panel, the OIG said).

Findings (key issues and risks)

The OIG's three main findings also constituted the "key issues and risks" laid out in the report, with extensive detailing of the issues (pages 11-16):

Multicountry grant implementation arrangements need improvement in terms of operational efficiency and resource optimization

During the 2016-2017 period reviewed by the OIG, 55 countries had three or more active multicountry grants in addition to their national Global Fund grants, and 11 of these had six or more active multicountry grants. This multiplicity of grants has produced challenges in coordination, oversight and governance at both Secretariat- and country level, for reasons including the lack of a single focal point for multicountry grants at the Secretariat, with grant management defaulting often to country teams managing national grants.

The OIG also said that there are no guidelines for Secretariat-level coordination, either between different multicountry grants or between multicountry and national grants. This has resulted in duplication – in some cases – of activities for the same target groups and areas, for example in both a Southern Africa regional grant and Mozambique country grant. The multicountry priorities for the 2017-2019 allocation period approved by the Board are expected to help streamline multicountry grants to mitigate this duplication risk.

Secretariat resource allocation, processes and systems – including governance – need to be better tailored multicountry grants

This long section (4.2, on page 12 of the OIG's report) goes into detail about the complexities and specificities of multicountry grants that have not yet been accommodated by Global Fund processes and systems, naming four sub-sections within this overarching set of issues.

These are (i) that complexities of multicountry grants, which are greater than those of national grants, are not considered in providing resources for risk and assurance; (ii) that there are limited human resources dedicated to multicountry grants; (iii) that risk identification and its associated tools are not adequately tailored for multicountry grants; and, discussed most extensively in this section by the OIG, (iv) that there are limited requirements and guidance for governance arrangements for multicountry grants.

On this fourth issue, the OIG explains the lack of specific governance requirements for regional organizations: Regional Coordinating Mechanisms must adhere to Country Coordinating Mechanism (CCM) guidelines, but are only required to comply with two out of the six requirements – regarding Principal Recipient selection and the funding application process. There are no requirements imposed by the Fund on Regional Organizations to have in place a governance structure with oversight arrangements and a policy to prevent conflicts of interest; given that up to half of all multicountry grants operate under a Regional Organization (not Regional Coordinating Mechanism) model, this is especially concerning.

As a result, the OIG says, not all multicountry grants have adequate governance mechanisms to ensure effective grant implementation and coordination with the especially diverse group of stakeholders in these grants, and important processes are managed in an ad-hoc manner. In

addition, oversight structures – to the extent that they are in place – lack maturity, the report says.

The malaria program in the Greater Mekong Sub-region continues to face challenges

The Regional Artemisinin-resistance Initiative (RAI) was created by the Global Fund in 2013 to tackle increasing artemisinin (and more recently, multi-drug-) resistance, which at that time was a threat particularly in the Greater Mekong sub-region, and since then has become a global threat.

The RAI was implemented from 2013 to 2017 alongside the respective malaria programs of Cambodia, Lao People's Democratic Republic, Myanmar, Thailand and Viet Nam. The grant has had major impact, according to the OIG, in both a sharp decline in malaria incidence (more than 50%) and mortality (99%) between 2012 and 2017, and in numerous processes including the creation of a regional elimination strategy, systemic interactions between malaria programs, and the strengthening of national leaders' political commitment to regional elimination.

However, the OIG said, the program still faces challenges in treating, investigating and classifying malaria cases, and from the continued availability of artemisinin monotherapies (which contribute to resistance and which were prohibited in 2012). The spread of resistance to many antimalarial drugs is an increasing problem, threatening the significant gains made worldwide in combatting malaria.

Ratings

The OIG rated two "objectives" (according to its four-tiered rating scheme of 'effective'; 'partially effective;' 'needs significant improvement'; and 'ineffective'):

Objective 1: Design and effectiveness of Secretariat processes, procedures and systems to ensure effective program implementation and performance to achieve grant objectives, as **'partially effective'**.

Objective 2: Design and effectiveness of governance, coordination and assurance arrangements to ensure multicountry grant funds are used as intended, as **'partially effective'**.

Global Fund multicountry grant context

During the 2014-2016 allocation period, there were 34 'regional' grants (as they were called then), of which 26 were for HIV, four for TB and four for malaria.

The Global Fund's allocation methodology changed for the 2017-2019 period, whereby it allocates up to $800 million for 'catalytic investments', of which three 'multicountry strategic priorities' have available funding envelopes totaling $260 million. These strategic priorities are malaria elimination in low-burden countries, finding missing cases of TB, and sustainability of services for key populations, the 'available envelopes' for which are $145 million, $65 million and $50 million, respectively.

The "deep dive" performed by the OIG on the RAI looks at a grant that covers five Southeast Asian countries (Cambodia, Thailand, Myanmar, Laos and Viet Nam), to support them in expanding their efforts against malaria and eliminating the most deadly strain of malaria. RAI was launched in 2013 in response to the emergence of drug-resistant malaria in the Greater Mekong region.

The other six grants (see Table 1) include grants across regions where the GF operates.

For the 2017-2019 allocation period, the Grant Approvals Committee has approved 14 multicountry priorities.

Agreed management actions

The three AMAs agreed with the Global Fund Secretariat (see page 14 of the OIG's report) are:

AMA 1: The Secretariat will conduct an evaluation of a pilot governance approach currently underway in the Latin American and Caribbean region to address challenges in the oversight of multicountry grants. This AMA is due by 31 July 2019.

AMA 2: The Secretariat will review guidance and policies for multicountry grants, to identify changes that need to be made "based on materiality, risk, and efficiency considerations"; such changes will be implemented during the next funding cycle. This AMA is due by 31 December 2019.

AMA 3: The Secretariat will work with the Principal Recipient as well as the National Malaria Control Programs and partners to build the surveillance capacities of national malaria programs. This AMA is de by 31 December 2019.

The AMAs are 'owned' by the Head of Grant Management Division, and in the case of AMA 2, also by the Head of Strategy Investment and Impact Division.

Further reading:

- The full OIG audit report on Global Fund multicountry grants
- The Global Fund's explanation of multicountry funding applications
- Article in this GFO on challenges experienced by applicants in Eastern Europe and Central Asia during the competitive application process for multicountry grants.

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3. FEATURE: Global Fund's new HIV and TB multicountry grants in Eastern Europe and Central Asia begin implementation

Applicants express concern over competitive application process

Ivan Varentsov **26 February 2019**

The Global Fund Board has recently approved several multicountry grants, whose aim is to address priorities "deemed critical to fulfil the aims of the Global Fund 2017-2022 strategy," and to address needs that are not being fulfilled by national (single country) allocations.

Of these, in December 2018, the Board approved two grants to Eastern Europe and Central Asia (EECA): one grant in the amount of $13 million for the sustainability of HIV services for key populations, and a second grant, in the amount of $5 million, to improve the quality of care and prevention of drug-resistant TB in the region. The Principal Recipient (and lead applicant) for the HIV multicountry grant is Ukraine's Alliance for Public Health, and the PR for the TB grant is Moldova's Center for Health Policies and Studies (see below for short descriptions of each of these grants).

EECA civil society and applicants for multicountry HIV and TB grants have expressed concern, however, regarding the effectiveness of the application process prescribed by the Global Fund for these multicountry grants. In the previous application period (2014 to 2016), the Global Fund invited pre-identified applicants from the EECA region to develop funding requests; this time, the earlier approach was replaced with a competitive application process, using requests for proposals issued in December 2017 and January 2018, with a submission deadline of 30 April 2018.

Vitaly Djuma, Executive Director of the Eurasian Coalition on Male Health, said: "The way the Global Fund organized the application process created an atmosphere of unnecessary competition and animosity between regional civil society players." Djuma also expressed intense dissatisfaction with the Global Fund's decision to "support only one grant to cover such a huge region as EECA," comprising "vastly different health and political systems, society and community development, [and] HIV epidemic trends."

Anna Dovbakh, the Executive Director of the Eurasian Harm Reduction Association, emphasized that that development of proposals for Global Fund grants is a time- and resource-consuming process. "NGOs, even the regional ones, have very limited funding available to support such a process," she said. "Four multicountry proposals were developed and submitted from the EECA region and only one was supported. This means that a lot of sacred resources being spent on the development of other proposals were just wasted due to the competitive application process being proposed by the Global Fund this time."

Further, in order to make the tendering process transparent, the Global Fund Secretariat restricted its communication with applicants to the specifically designated formal channel, which left applicants frustrated at their limited ability, they reported, to consult with Secretariat representatives during the application development process. In addition, for the development of the multicountry HIV proposals, applicants were unable to request the

technical support of the UNAIDS regional office because UNAIDS had been involved in the development of the terms of reference for multicountry HIV applications in the EECA.

The Global Fund's Head of Communications Seth Faison responded to these comments in an email to the GFO, saying, "The Global Fund believes that a transparent and competitive application process is effective and appropriate in this region, where we have to seek maximum impact with limited funding. We recognize that the circumstances may create some challenges, and we are committed to working with partners to resolve problems where possible."

Multicountry grant summaries

HIV multicountry grant for sustainability of services for key populations

The project "Sustainability of services for key populations in Eastern Europe and Central Asia" was developed and submitted by consortium of organizations from the EECA region, led by the Alliance for Public Health, and co-applicants All-Ukrainian Network of PLWH 100% Life, Central Asian PLWHA Association and Eurasian Key Populations Health Network (EKHN), subsequently selected as regional Sub-Recipients. The regional networks TB People, ECOM, ENPUD and EHRA will also be involved in the implementation of project activities, which began in January 2019 and will continue until December 2021.

The initial application was intended to cover nine EECA countries with a total budget of $10.5 million for three years (2019-2021). In September 2018, the Global Fund supported the Alliance's request for additional funding for this project, worth $2.5 million. This additional request included critical components to ensure the sustainability of services for key populations in five more countries in south-eastern Europe. As a result, the project's activities will cover 14 EECA countries: Belarus, Georgia, Moldova, Kazakhstan, Kyrgyzstan, Russian Federation, Tajikistan, Uzbekistan, Ukraine as well as Bosnia and Herzegovina, Macedonia, Montenegro, Romania and Serbia.

Andriy Klepikov, the Executive Director of the Alliance for Public Health, called this "an unprecedented project for the region, [in its] scope, targets and partnerships".

Tuberculosis multicountry grant to improve 'people-centred' focus

Tuberculosis Regional Eastern European and Central Asian Project (TB-REP 2.0) is a multi-partner program with the aim to foster timely TB case detection and improved treatment outcomes in patients with special emphasis on drug-resistant TB, in eleven EECA high TB burden countries: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, Uzbekistan and Ukraine.

Partners involved in this project's implementation are:

- Center for Health Policies and Studies (PAS Center) is the Principal Recipient, and will lead overall coordination and management of the program;

- WHO Regional Office for Europe is the lead technical agency providing guidance and necessary technical assistance
- TB Europe Coalition (TBEC), a regional network of NGOs responsible for strengthening advocacy and the operational role of civil society;
- TB People, a network of people with experience of TB, responsible for empowering and mobilizing the community of people affected by TB;
- Global TB Caucus (GTBC), a network of parliamentarians responsible for enhancing political support and cultivating interaction between decision-makers and civil society.

Svetlana Nicolaescu, the PAS Center's Project Coordinator, said: "The underlying concept of the project is that the multicountry initiative will further push forward and consolidate efforts to improve the cascade of TB care: improving early detection and finding people with TB who are missed by national programs; reducing patient delays; ensuring universal access to rapid drug-susceptibility testing (DST), administration of correct treatment regimens based on the resistance profile, and improving treatment success rates through intensive patient support and follow-up. We will keep the focus on catalyzing health system transformation towards people-centredness in TB care," she said.

The future of Global Fund multicountry grants

The Global Fund is currently reviewing its allocation methodology and catalytic funding scenarios for the 2020-2022 allocations. Decisions on any changes to allocation methodology and catalytic funding scenarios will be made at the Global Fund's 41st Board Meeting, in Geneva from 14-16 May, 2019. At the time of this publication, the Strategy Committee is in the process of reviewing catalytic investments to date and identifying initial priorities for the 2020-2022 funding allocations. Any such revisions could affect the availability of funding for multicountry projects within the new allocation period, as could the results of the Global Fund's Sixth Replenishment, in October 2019.

"Not achieving the Replenishment target would contribute to difficult conversations and decisions around Catalytic Funding at the Board level, including multicountry grants, which would be impacted with the reduction of funds to Catalytic Funding within the new allocation period", said Rachel Ong, the focal point for the Communities Delegation to the Global Fund Board.

The latest research from Harm Reduction International (HRI) on funding for harm reduction in low- and middle-income countries (LMICs) showed just how important the Global Fund is in this space, where it accounts for two thirds of all international donor funding (see article in this GFO on HRI's call for sustained investment in harm reduction programs). "It is crucial that the Global Fund continues to prioritise and invest in multicountry projects, especially in EECA, where such projects make a great contribution to the dialogue and advocacy on harm reduction at the regional level," said Catherine Cook, Sustainable Financing Lead in HRI.

Declaration of conflict of interest: The author of the article is a staff member of the Eurasian Harm Reduction Association (EHRA), an organization that was competing for the Global Fund's multicountry HIV grant in the EECA region.

Further reading:

- Article in GFO 349 on recently approved multicountry grants including the two regional grants discussed here.
- Article in this GFO on the OIG's audit of multicountry grants.

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4. FROM THE FIELD: South Africa confronts HIV prevention challenge for adolescent girls and young women with new Global Fund grant

This will be the Global Fund's largest investment by far in AGYW programming

Keith Mienies **26 February 2019**

South Africa, home to the largest national HIV epidemic globally, is getting ready to begin implementation of a new Global Fund grant for the period 1 April 2019 to 31 March 2022 in the amount of $353.3 million. The funding request was submitted during Window 6 (on 6 August 2018) and was reviewed by the Technical Review Panel (TRP) in September 2018. The TRP recommended South Africa's funding request.

(Editor's note: In this article, we report on the contents of the funding request, which at the time of publication was in the final stages of grant making.)

The grant focuses on adolescent girls and young women (AGYW) as a top priority, with $84.6 million (23% of total allocation) requested for a combination prevention program targeting adolescents and youth aged 15 to 24 years, in and out of school. This is significant as it is the country with by far the largest Global Fund investment in adolescents and young people. "As South Africa is a country with the highest HIV burden among young girls and women, and also the biggest male-female disparity, for the Global Fund it is a critical country for addressing HIV among this population," said Heather Doyle, Senior Coordinator, Gender, at the Global Fund.

The remainder of the allocation was requested for comprehensive prevention programs for sex workers and their clients, men who have sex with men, transgender people, and people who inject drugs and their partners ($105.7 million); tuberculosis ($60.0 million); TB/HIV ($4.6 million); and cross-cutting activities to strengthen resilient and sustainable systems for health ($97.3 million).

The adolescent girls and young women (AGYW) program will be implemented by three principle recipients: AIDS Foundation South Africa, NACOSA and Beyond Zero. The grant aims to reach 166,000 girls and young women with a comprehensive package by year three of grant implementation.

In South Africa, girls and young women continue to face a disproportionate HIV burden throughout their life cycle. An alarming third of all new HIV infections in the country occur in AGYW aged 15 to 24 years – a staggering 1,674 cases each week. The Thembisa model – a mathematical model developed to describe different aspects of the South African HIV epidemic - suggests that HIV incidence peaks for 19-year-old girls at 2.74%. However, the age and gender disparity in new infections is greatest among 17-year-olds, the age at which girls are 8.7 times more likely to acquire HIV than their male peers (Figure 1).

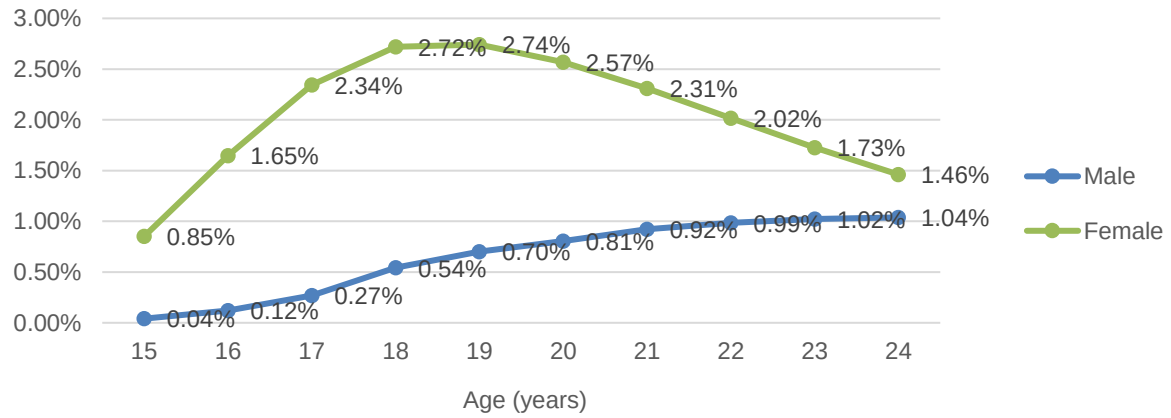

Figure 1. HIV Incidence Among Adolescents and Young People in South Africa (2016)

A recent national survey found that social and structural factors exacerbate adolescent girls' and young women's vulnerability to HIV. In 2017, 35.8% of adolescent girls aged 15 to 19 had a male sexual partner who was 5 or more years older, and 37% of young women (aged 20 to 24) reported receiving money or gifts at last sex.

This intensified program will be delivered through five targeted service-delivery models:

1. High schools targeting girls and boys aged 15 to 19 years;
2. Tertiary institutions, universities and Technical Vocational Education and Training colleges targeting youth aged 20 to 24;
3. Safe spaces targeting adolescents and youth aged 15 to 24 years, out of school;
4. Communities, targeting norm change among men, boys, parents and caregivers;
5. Public-private mix (PPM) approach, targeting male sexual partners of girls and young women.

As a first, the program will be implemented in 360 of South Africa's poorest high schools in eight of the country's nine provinces – these are schools that are 100% dependent on government funding to operate and do not charge school fees to learners.

For sustainability, investments will be used to build the capacity of school leadership structures to support the implementation of the Department of Basic Education's National

Policy on HIV, STIs and TB – which allows condoms and other sexual and reproductive health (SRH) services to be available to learners at school. Furthermore, in support of the Department of Basic Education's peer education program, tailored messages on HIV and SRH will be delivered through the popular television program, MTV Shuga.
In addition, twelve roving mobile clinical teams will provide selected HIV/TB/SRH services and make linkages to nearby school sites. The program will also offer homework support and dignity packs to encourage girls to stay in school. This is linked to overwhelming evidence that shows the likelihood of girls struggling to perform academically and dropping out of school is exacerbated by lack of access to menstrual products.

In universities and Technical Vocational Education and Training Colleges, funding has been requested to supplement HIV/TB/SRH services targeted at young women (aged 20 to 24) through existing university campus clinics, and the placement of 36 commodity vending machines. Each machine will be stocked with HIV self-screening kits, pregnancy tests, condoms, lubricants and menstrual health products to increase access to vital commodities. Early results from an ongoing Global Fund evaluation have flagged that lack of access to commodities, especially condoms, is a major barrier to HIV prevention among young women in this age group.

Targeted at out-of-school (including after school) girls and young women from 15 to 24**,** the grant will pilot the use of safe spaces as a new approach to delivering certain elements of the package. The safe-space model is geared to be a 'one-stop-shop' to deliver the full combination HIV-prevention package to girls and young women who may be in or out of school. This will build on emerging evidence and lessons from the USAID and PEPFAR funded DREAMS program.

At community level, the focus will be on embedding behavioral and structural interventions, particularly around gender-based violence prevention and gender-norm change. Legal literacy programs are expected to raise awareness and educate communities about laws regarding the age of consent to access SRH services and engage in sexual relations – a barrier identified in South Africa's human rights baseline assessment.

A public-private mix approach is expected to reduce gender-related barriers to care and improve enrollment of working men into HIV services. Workplace programs aimed at taxi drivers and factory workers will offer convenient services, linking men to further care through capitation-based agreements (a healthcare plan which pays the healthcare provider a fixed amount of money for each patient it covers and manages appropriately) with specialized men's-health service providers.

Pre-Exposure Prophylaxis roll-out for AGYW

Following the introduction in South Africa of Pre-Exposure Prophylaxis (PrEP) for sex workers in June 2016, then for men who have sex with men in April 2017, South Africa began PrEP rollout to adolescent girls and young women in March 2018. This was based on international guidelines to offer PrEP to all AGYW at risk of HIV infection. (WHO

published new modules on PrEP, expanding them from MSM to other at-risk populations, including adolescents and youth, in July 2018.)

Offering PrEP to girls and young women is a new addition to the Global Fund program in South Africa and is informed by South Africa's HIV/TB investment case – an ongoing analysis conducted by HE2RO – which has assessed (among other things) the impact and cost-effectiveness of PrEP implementation. It found the greatest impact of the introduction of oral PrEP on new HIV infections averted was among female adolescents aged 15 to 19. It concluded that investments in PrEP for this group can lead to cost efficiencies and eventual cost savings down the line. Funding has been requested to support the establishment of government PrEP sites and demand creation for the uptake of PrEP among girls and young women.

Matching Funds

South Africa was eligible to receive Global Fund matching funds for programs targeting AGYW for the amount of $5.0 million. The catalytic funding will be used to deliver economic empowerment interventions for young women and girls; development of a comprehensive, electronic referrals directory for AGYW; piloting HIV self-screening among male sexual partners of AGYW; and providing tailored psychosocial adherence support programs for adolescents living with HIV.

The scale of the Global Fund's investment for AGYW to South Africa is in line with one of its key strategies, which is to support countries to use their own goal-setting methodologies in order to determine better HIV incidence projections for distinct age groups, particularly 15 to 24 years. In South Africa, this model is the She Conquers Campaign, an organizing framework to ensure alignment of all activities targeting girls and young women across sectors. Global Fund gender coordinator Doyle added that "it is critical for countries to have their own targets, effective strategies and financing plans towards long-term goals to reduce HIV incidence amongst girls and young women".

Country Dialogue and Community Engagement

The prioritization of girls and young women in South Africa's funding request was the result of successful community engagement during country dialogue. With support from the Global Fund Community, Rights and Gender technical assistance program, the Civil Society Women's Sector conducted a situational analysis of the needs of girls and young women and drafted a plan on how to engage girls and young women throughout the grant life-cycle.

"Without this support we would not have been able to have two extensive consultations with girls and young women in the Eastern Cape and Kwazulu-Natal provinces" said Khanyisa Dunjwe, Civil Society Leader of the Women's Sector. She added that "we were able to really bring the voice of the girls and young women that these programs are meant to serve to be reflected in the funding request, including the need for practical skills development and building the leadership capacity of young women to be able to participate in Global Fund governance and oversight structures in the country".

Final grant negotiations are nearly completed, with the new grant set to be submitted to the Grant Approvals Committee and Global Fund Board for approval before its scheduled start date of 1 April 2019.

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5. NEWS: Second OIG audit in Madagascar reveals that program management, supply chain and financial systems need improvement

Limited health workforce, inaccessible terrain and largely rural population make access to services difficult

Adèle Sulcas **26 February 2019**

In its second audit of Global Fund grants to Madagascar, the Office of the Inspector General presented a mixed opinion on the performance of the country's portfolio. While Madagascar has made good progress against the three diseases, the OIG said, program management and supervision "need significant improvement", and the supply chain and financial systems and controls were rated only "partially effective". (See fuller description of objectives and ratings below.)

The audit report was published on 25 January 2019. The period under review was 21 months, from April 2016 to December 2017.

This audit aimed specifically to assess the effectiveness of program management and supervision mechanisms, financial management and controls in place over grant funds, and supply chain mechanisms in providing medicines to patients.

The report said that over 60% of total grant expenditures, including local procurements, were reviewed, due to "high financial risks" identified in the OIG's initial risk assessment performed before the fieldwork stage of the audit. The OIG team visited 18 health facilities, stores and health administration offices as part of the fieldwork for the audit.

Table 1: Madagascar's Global Fund grants (as of 31 December 2017) included in the OIG audit

Component	Grant no.	Principal recipient	Grant period	Signed amount (USD)

HIV	MDG-H-PSI	Population Services International (PSI)	01/07/2016 to 31/12/2017	7,551,235
HIV	MDG-H-SECNLS	Executive Secretariat of the National HIV and AIDS Committee (SE-CNLS)	01/07/2016 to 31/12/2017	8,992,832
Malaria	MDG-M-OSI	Population Services International (PSI)	01/07/2016 to 30/06/2018	40,551,408
Malaria	MDG-M-MOH	Ministry of Public Health	01/07/2016 to 30/06/2018	18,879,934
Tuberculosis	MDG-T-ONN	National Nutrition Office (ONN)	01/04/2016 to 31/12/2017	6,765,890
		Total		**82,741,299**

Key achievements and good practices

The OIG report commended Madagascar's progress against the three diseases, improved financial controls and assurance mechanisms to safeguard grant funds, and support for supply chain mechanisms.

Impact against the diseases included that the number of deaths in Madagascar due to malaria fell by 33% between 2013 and 2016, the number of people living with HIV on treatment increased more than three-fold between 2014 and 2017 (from 750 to 2,321), and the treatment success rate for TB was 86% (exceeding a program target of 85%).

Financial risks have been substantially mitigated by various measures put in place by the Global Fund, including financial safeguards, a Fiscal Agent reviewing and clearing expenditures by the Ministry of health and its sub-recipients, a Local Fund agent, the transition of HIV commodities procurement to the Global Fund's Pooled Procurement Mechanism, and accounting software introduced at sub-national levels. The audit found no fraud or material irregularities – an important finding given the OIG's initial risk assessment.

Main findings, key issues and risks

The report identified the "key issues" for Madagascar of low quality of and access to services for malaria, low HIV detection and treatment, and deficiencies in data and staff capacity as the key issues and risks in Madagascar's Global Fund-supported grants.

The main findings section (pages 11-18) expands substantially on these, naming four categories of findings:

4.1 Progress has been made on programmatic results but significant challenges exist in access to and quality of malaria services. In 2016, 1.5 million were tested for suspected malaria

cases, a two-fold increase since 2010, and more than 11.8 million bed nets were distributed, from 2014 to 2016.

However, an ongoing major issue for the country, where 14 out of 25 million people live in rural areas, is providing services in hard-to-reach areas. Other points made by the OIG within this 'hard to reach' issue were low service coverage (especially of children aged 6 to 15, who make up 40% of malaria cases but are excluded from care), lack of data on malaria care at community level, limited capacity of community health workers, and accessibility challenges due to long distances as well as the lack of travel allowances for health workers.

Another serious issue is drug and rapid-malaria-test stockouts at primary health centers, caused by supply chain problems as a result of inaccurate quantification of commodities and procurement planning, as well as non-compliance with national malaria treatment guidelines.

4.2 HIV detection and treatment levels are significantly lower than the estimated prevalence would suggest. The OIG says this could be due to low detection among key populations (where estimated prevalence is 6.2% compared to 0.2% in the general population), which is in turn due to low outreach and coverage, a weak testing strategy, severe deficiencies in training of medical staff on HIV and testing requirements, as well as a need for updated prevalence estimates.

4.3 Data deficiencies and staff capacity challenges adversely affect quantification and other critical decisions. Low reporting by facilities and no reporting by communities, with significant inaccuracies in data that do get reported, has negatively affected the measurement of program results. For malaria, drugs consumption is reported for only 39% of drugs distributed. For HIV, drugs consumption data are available but by the end of December 2017, only two thirds (64%) of health facilities had submitted patient data reports for that year. For survival rates of PLHIV under treatment, only 31% of HIV treatment centers had provided the required data.

The OIG said that the data issues contribute to a gap between the assumptions used for quantifying and distributing drugs, and the actual results. Further, a root cause of data inaccuracies was ineffective supervision of health facilities, with only 26% of a planned 224 supervision visits from regional level to district level taking place.

National programs and Principal Recipients have severe procurement planning problems. Examples given by the OIG included poor anticipation of procurement timeframes for HIV drugs, leading to orders being placed and delivered late (received in July for 2016 and in September for 2017); seven out of 12 antiretroviral drugs experiencing stockouts at the central level between April and December 2017; and MDR-TB drugs that were delivered in July 2017 were stuck in port for more than six months due to delayed drug registration.

4.4 Grant-level controls have prevented material financial irregularities, but systemic improvements are needed to enhance grant absorption and results. The OIG found that the various measures put in place by the Global Fund (Fiscal Agent, LFA, among others) have resulted in mitigation of risk for irregular expenditures, but there are still gaps in implementers' ability "to fully utilize funds to deliver program impact". Erroneous or

irregular transactions not detected in a timely manner by the Principal Recipient's internal control mechanisms were rejected by the external controls in place (e.g: Fiscal agent, LFA) upon review. That contributed to procurement delays as well as to delays in executing some "high-value" financial transactions, and consequently have contributed to low grant absorption.

Objectives and Ratings

The OIG assessed the effectiveness of three "objectives" according to its four-tiered rating scheme (effective; partially effective; needs significant improvement; ineffective), as follows:

Objective 1: Program management and supervision mechanisms to ensure quality of services and provide reliable data for decision-making, **"needs significant improvement"**

Objective 2: Supply chain mechanisms in providing medicines to patients for the three diseases procured through Global Fund-supported programs, **"partially effective"**

Objective 3: Financial management and controls in place over grant funds, **"partially effective".**

Madagascar country context

The Global Fund's current grants to Madagascar, totaling $82,741,299, comprise two HIV grants, two malaria grants (which also support health system-strengthening activities), and one tuberculosis grant. The HIV and malaria programs have dual government and non-government implementers, with the TB programme led by one governmental PR. Programme implementation involves 21 sub-recipients.

Madagascar is classified as a low-income country. It is ranked 158 out of 188 countries in the Human Development Index Report, and 155 out of 180 countries in Transparency International's Corruption Perception Index.

The weakness of the country's health system is aggravated by 60% of the country being hard to access due to uneven terrain, limited road infrastructure, and a long rainy season. The health workforce is limited, and the 60% of the population that lives more than 5km from the nearest primary health center therefore relies mainly on health services at the community level.

Since 2004, the Global Fund has signed grant agreements for more than $403 million and disbursed $356 million to Madagascar, which is considered a 'core' country (larger portfolios, higher disease burden, higher risk).

In 2016-2017, Global Fund financing supported 94% of the country's HIV program, 69% of the TB program, and 60% of its malaria program.

Agreed management actions

The Secretariat, working with Madagascar's Ministry of Public Health and partners, will support efforts to accomplish the following Agreed Management Actions (AMAs):

AMA 1: Develop a costed plan for extending malaria case management at community level to children over 5, and improve data collection tools at community level (target date 31 December 2019).

AMA 2: Develop a protocol and costed work plan to conduct an HIV prevalence survey (target date 31 December 2019).

AMA 3: Strengthen data and inventory management across the three disease programs (target date 30 June 2020).

All AMA's are 'owned' by the Head of Grant Management (see page 19 of the audit report for more detail).

Progress on previously identified issues

The first OIG audit of Global Fund grants to Madagascar was published in October 2011, and focused on grants managed by Principal Recipient Population Services International Madagascar. This audit identified issues including $215,066 in ineligible expenditure, 143,738 missing long-lasting insecticidal nets, and expired drugs.

In 2014, the OIG published its report on an investigation into procurement activities at four Principal Recipients of the Global Fund's National Strategy Application grant for malaria, covering transactions from 2009 to 2012. The investigation found non-compliant expenditure estimated at $1.16 million, as well as excess costs of $462,670 as a result of items bought at above-market prices. As a result, three of the PRs were not selected for the subsequent grants, and the Madagascar Country Team appointed a Fiscal Agent in 2016. As set out in Finding 4.4 (above), the OIG found that these measures have "significantly improved" financial controls.

Further reading:

- This audit report, Global Fund grants in the Republic of Madagascar (25 January 2019, OIG report number GF-OIG-19-003)
- Investigation report, Procurement Activities of the Principal Recipients of the Global Fund's National Strategy Application Grant for Malaria to Madagascar (3 January 2014, OIG report number GF-OIG-13-052)
- Audit of Global Fund grants to Population Services International Madagascar (31 October 2011, OIG report number GF-OIG-10-020)

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6. NOTICE: NGOs call on Global Fund Board to sustain catalytic investments in harm reduction in next allocation cycle

Briefing highlights impact of harm reduction investments in MICs

Charlie Baran **26 February 2019**

In January, Harm Reduction International and the International HIV/AIDS Alliance (now Frontline AIDS) released a joint briefing urging the Global Fund Board to sustain investments in harm reduction interventions as the Fund considers its allocation methodology and catalytic funding priorities for the 2020-2022 period. The Global Fund Board will define the revised allocation methodology and catalytic priorities at its May 2019 meeting in Geneva. Final allocation amounts will be decided following the Global Fund's Sixth Replenishment conference in Lyon, France, to be held in October.

The briefing paper urges the Global Fund Board "to safeguard catalytic investment funds," including multicountry grants, matching funds, and strategic initiatives. The paper lays out evidence of the impact and rationale for continued Global Fund investments in harm reduction interventions for people who use drugs, including opioid substitution therapy and needle and syringe programs, saying they are, "cost effective, protect against HIV and hepatitis C, and save lives."

The paper points out that the Global Fund is the largest donor for harm reduction programmes in lower- and middle-income countries, in the order of two-thirds of all international donor support for them. It also describes a number of cases in which the Fund's catalytic funding for harm reduction has done exactly what was intended: catalyze action and further investment.

The complete briefing is available on Harm Reduction International's website as a PDF file.

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7. ANNOUNCEMENT: Global Fund Advocates Network launches tools and resources to support the Global Fund's Sixth Replenishment

Aidspan staff **26 February 2019**

The Global Fund Advocates Network (GFAN) has developed a new Sixth Replenishment Campaign web page.

The page contains a variety of resources that activists can use to support their advocacy for the Global Fund's Replenishment campaign. The resources include the following:

- GFAN publications and talking points, such as the Get Back on Track report;
- Social media resources, such as sample Twitter messages on the Investment Case;
- Simple actions for advocates (a guide);
- Related Global Fund documents and resources, such as the latest Results Report; and
- Resources in French.

GFAN says that the web page will be updated several times over the coming months. GFAN welcomes suggestions for other tools that advocates would find useful. (For this, please contact Tara Hogeterp at th@icssupport.org.)

The Global Fund's Sixth Replenishment pledging conference is scheduled for October 2019 in Lyon, France.

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This is issue #351 of the GLOBAL FUND OBSERVER (GFO) Newsletter. Please send all suggestions for news items, commentaries or any other feedback to the GFO Acting Editor at adele.sulcas@aidspan.org. To subscribe to GFO, go to www.aidspan.org.

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GFO Newsletter is now available in English and French. The French-language edition becomes available within one week after the publication of the English edition.

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