



6th Audit and Finance Committee Meeting – March 27-29, 2018

In their respective cluster meetings, the Eastern and Southern Africa, and West and Central Africa constituencies met recently to deliberate on issues critical to maximizing the impact of Global Fund support to effectively respond to the three epidemics in Africa. In these cluster meetings, countries meet in smaller and theme-focused groups to do an in-depth analysis of the progress in eliminating the three epidemics, share success stories and identify solutions to common barriers and challenges to eliminating the three epidemics in their respective countries. In the last round of meetings, key themes identified and discussed included,

- Maximizing available resources through adoption of best practices, investing in efficiency gains and leveraging innovative financing to provide additional resources to reduce the funding gap for the three diseases – TB, Malaria and HIV
- Nurturing country ownership and the role of CCMs and increased domestic financing for health
- Sustainability of the Global Fund impact and investments through strong resilient and sustainable systems for health (RSSH)

Resource Mobilization: We therefore commend the GF Secretariat on the efforts to ensure the GF has the funding required to implement the Strategy. As the largest recipient of GF resources, Africa is extremely grateful and would like to congratulate the External Relations team for these achievements. We are glad to see the donor-base widening to include non-traditional, smaller and new donors.

2018-2020 Grant Allocation Process: We also commend the Grants Management Team for an expedited and smoother grant allocation process. We would recommend that lessons learnt be harnessed to ensure the next grant allocation cycle (2020-2022) is further simplified.

GF and GAVI Collaboration: We would like to emphasize the excellent opportunities that the collaboration between GF and GAVI provides especially the sharing of lessons learned at both Global and Country levels. In addition, the collaboration provides opportunities for improved coordination and identification of funding gaps at country level as well as reduce or eliminate duplication. This could help gain efficiencies in program implementation at country level especially for programs largely funded from domestic sources.

A critical area for collaboration is RSSH where over 70 percent of the funding is from domestic sources. RSSH is therefore an intervention area that could benefit immensely from improving efficiencies in programming as well as improving identification of best practices and targeted interventions.

We however, would like to bring to the attention of the AFC, the following issues that are critical to African Constituencies:

1. GF/AFC06/04: innovative Financing

Africa greatly appreciates the role of Innovative Financing in raising additional resources for the three epidemics and reduce the existing funding gap. We also appreciate that innovative financing can be leveraged to model activities as well as change behaviour and increase program efficiencies.

We think that innovative financing should be used to tackle some of the programmatic challenges that we continue to face especially in the following areas:

- Strengthening transitioning in STC countries
- Utilize it as an incentive for good performance behaviour
- An incentive for increased domestic financing

However, we need clarity from the GF secretariat teams on the following:

- How to explicitly describe and safe guard GF principles and values under these initiatives especially, representation, focus on Key populations, etc.
- What are the transaction costs as well as opportunity costs associated with implementing these approaches?
- How to measure efficiency and cost-effectiveness of innovating financing mechanisms
- Identify and articulate risks to both GF and respective countries

2. GF-AFC06-10A CCM Evolution Budgetary Options/ GF-AFC06-10B CCM Evolution

We welcome the GF's initiative to improve CCM performance in areas that will position them to effectively contribute to the GF strategic objectives as well strengthen sustainability of GF gains and support transitioning processes. Africa greatly appreciates the role of CCMs in providing oversight over GF grants as well ensuring the GF principles of representation, equal voice and focus on key populations are effectively integrated in the implementation process. We also strongly believe that CCMs should be supported to develop strong linkages with national health policy and planning structures and begin to have a good understanding of the health planning and service delivery at sub-national level. At the same time, they should be at the centre of nurturing country ownership.

We therefore strongly support the revised CCM Policy as well as the proposal to fund the CCM-Evolution outside the OPEX budget as this will provide the required flexibility in deciding the appropriate level of ambition to target. We are also of the

view that the CCM Evolution Initiative can be classified and funded under the Strategic Initiatives.

However, Africa as the continent with the largest burden of the three diseases as well as largest recipient of GF resources, we are concerned by the following:

- The narrative that seems to indicate that it is only through additional funding that improved capacity can be achieved.
- Even more concerned that this will divert resources from implementation of key activities at county level. We strongly caution, that this should not be at the expense of scaling-up of critical activities at country level
- We think that the Return on Investment may not be guaranteed and/or could be minimal and this will need further interrogation.
- We would like to hear more on ITP and the impact it has made on capacity of CCMs

We therefore propose a more cautious and phased approach to the implementation and therefore only support the “intermediate” option.

We urge GF to have deeper conversation on how to proceed with CCM Evolution under the 2020-2022 grant allocation cycle.

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