Audit Report

## Global Fund Grants in the

# Republic of Burundi

GF-OIG-23-017
27 September 2023
Geneva, Switzerland

THE GLOBAL FUND
Office of the Inspector General

# What is the Office of the Inspector General?

The Office of the Inspector General (OIG) safeguards the assets, investments, reputation and sustainability of the Global Fund by ensuring that it takes the right action to end the epidemics of AIDS, tuberculosis and malaria. Through audits, investigations and advisory work, it promotes good practice, enhances risk management and reports fully and transparently on abuse.

The OIG is an independent yet integral part of the Global Fund. It is accountable to the Board through its Audit and Finance Committee and serves the interests of all Global Fund stakeholders.

- Email: hotline@theglobalfund.org
- Free Telephone Reporting Service: +1 704 541 6918
  Service available in English, French, Spanish, Russian, Chinese and Arabic
- Telephone Message - 24-hour secure voicemail: +41 22 341 5258


## Table of Contents

# 1. Executive Summary

## 1.1 Opinion

Burundi was classified by the Global Fund as a Challenging Operating Environment (COE). As such, it has been operating under the Additional Safeguard Policy (ASP) since 2016, following an assessment taking into consideration parameters including the Principal Recipient and Country Coordination Mechanism capacity, External Risk Index and security context. It faced two major malaria resurgences with hospital incidence reaching 819 cases per 1,000[1] population in the past five years. Despite these challenges, the country, with support from partners, has managed to achieve strong progress in the fight against HIV, stabilized the mortality rate of malaria and reduced the incidence of tuberculosis (TB) by 12% in the past five years.

Burundi is on track to achieve the UNAIDS target with 85% of people living with HIV under antiretroviral therapy in 2022. However, the HIV treatment coverage remains low for children under 15 (37%).[2] The effectiveness of HIV prevention and testing among key populations is limited, partly due to human rights barriers. The TB treatment success rate is high, but case notification is low (54%), mostly due to the passive approach of TB testing that does not bring testing to communities but expects patients to reach out to health facilities.

Malaria mortality has declined due to the effectiveness of the country's case management system, but the increasing incidence over the past few years questions the efficiency and effectiveness of the current national response. In addition, oversight exercised at various levels during the last Long Lasting Insecticidal Nets (LLIN) mass distribution campaign was inadequate, resulting in diversion and/or overdistribution risks not being mitigated, affecting approximately half a million LLINs. Therefore, the OIG finds the processes supporting an effective and timely implementation of interventions for HIV, TB and malaria to ensure access to quality services by beneficiaries to be **partially effective.**

Availability of key drugs, limited number of expiries and effective tracking of key health products across all levels of the health system is ensured by an adequate quantification process, effective stock monitoring mechanism, and the timely execution of procurements and distribution of commodities to districts. There is potential for improvement in the ongoing electronic logistic management information system (eLMIS) project implementation and in creating better storage conditions at both central and district levels. The controls and processes in place to ensure continuous availability of quality-assured health commodities and accountability across the supply chain are assessed as **effective**.

The staffing of UGADS,[3] the procurement arrangement, as well grant management processes and tools need to be improved to support the Ministry of Health's strategic vision to manage grants from donors on behalf of the Republic of Burundi. The challenges faced by the Project Management Unit (PMU) have resulted in key activities not being completed and accordingly low absorption of the allocated grant during the first year (20% of the budget).

The OIG also identified weaknesses around the planning, coordination and supervision processes of the second Principal Recipient (UNDP[4]). The governance, oversight mechanism and implementation arrangement in place to ensure accountability, as well as timely and effective implementation of grant activities, are **partially effective**.

[1] Represents hospital incidence which counts cases and not patients
[2] UNAIDS fact sheet (accessed on 19 April 2023)
[3] *Unité de Gestion et d'Appui au Développement Sanitaire (*UGADS) is the implementing entity of RSSH grant within the Ministry of Health
[4] United Nations Development Program

## 1.2 Key Achievements and Good Practices

**Significant progress made in the fight against HIV**

Burundi's performance in the fight against HIV is on the right path to achieve the UNAIDS 2025 target of 95-95-95,[5] with the current testing and treatment cascade at 87-85-79. This progress is characterized by a reduction of new infections (71%) and mortality (79%)[6] from 2010 to 2022, higher than average in the Eastern and Southern Africa region. The overall HIV prevalence also decreased over the years reaching 0.9% in 2022. The contribution of faith-based and civil society organizations in the national HIV response is a central factor to the progresses made. One of them (ANSS) manages the largest antiretroviral therapy (ART) cohort of the country.

**The supply chain system is effective and ensures continuous availability of key drugs and limited quantity of expired products**

Key drugs[7] were continuously available at both the central medical store and peripheral levels (districts and health facilities) despite various challenges that affected the in-country supply chain system (e.g., severe fuel shortages and global supply chain disruptions occurred during the past few years). The number and value of expired products is reasonable. The OIG successfully traced drugs procured from the central medical store through the district warehouses and to health facilities visited, due to the maintenance of adequate inventory management tools.

## 1.3 Key Issues and Risks

**Risk of diversion and overdistribution of LLINs not fully mitigated**

The 2022 LLIN mass campaign was effective in reducing malaria cases during the months after its completion. However, weaknesses in its governance and oversight processes resulted in an estimated 0.5 million LLINs (8% of overall nets procured) unaccounted for, raising diversion or improper distribution risks.[8]

**Low grant absorption due to the limited capacity of UGADS and delayed start of grant activities**

Most staff within this Ministry of Health Project Management Unit do not have the appropriate formal qualifications and required experience to support effective grant management, mainly in financial and procurement areas. The tools and processes it uses also proved ineffective for planning and monitoring grant activities. With the current set up, UGADS cannot play its intended role as the Ministry of Health's implementing body for a larger scope of activities, as well as extended management of Global Fund Grants. In 2022, the financial absorption of UGADS' managed grant was 20%. Key activities planned to strengthen the health system were either partially implemented or not implemented at all.

**High percentage of new infections among children due to low antiretroviral therapy (ART) coverage**

The antiretroviral therapy (ART) coverage of seropositive children under 15 is low (37% in 2022)[9] compared to adults (90%). The low ART coverage of children is primarily due to the low HIV diagnosis rate of new-borns from HIV positive mothers (49% in 2022)[10] and the lack of active searching of HIV positive children in communities. As a result of these challenges, a high percentage of new infections in Burundi are estimated to be among children. One of the root causes

[5] UNAIDS 2025 AIDS targets
[6] UNAIDS data - Burundi (accessed on 19 April 2023)
[7] The tracer health products include: the main first-line ARV covering at least 80% of ART patients (TDF / 3TC / DTG), the HIV rapid test Determine, the anti-malaria first-line drugs Artemether-Lumefantrine ALu (four formulations), the malaria rapid diagnosis test, the first-line treatment of severe malaria (Artesunate injectable 60mg), the two key first-line anti-TB drugs (RHZE 150+75+400+275mg and RH 150+75mg).
[8] This issue been referred to the OIG Investigation Unit for further evaluation
[9] Children below 15 years account for approximately 10% (or 7,800) of the total number of people living with HIV (80,000). 2,800 children are currently under antiretroviral therapy.
[10] UNAIDS data - Burundi (accessed on 9 June 2023).

is the inadequacy of the HIV index testing strategy, currently under implementation, which has gaps in its design and monitoring.

**Increasing malaria incidence calls into question the efficiency of current national response**

Malaria case management records a high coverage, which has contributed to the reduction of mortality rate by 16% since the last malaria outbreak in 2017. However, the continuous increasing of the malaria incidence calls into question the efficiency of the national response, as well as the use of a uniform approach across almost the entire country, despite vastly different incidence between part of its districts.

## 1.4 Objectives, Ratings and Scope

The audit's overall objective was to provide reasonable assurance to the Global Fund Board on the adequacy and effectiveness of Global Fund Grants to the Republic of Burundi. Specifically, the objectives in the table below were assessed.

| Objectives | Rating | Scope |
|---|---|---|
| Timely implementation of interventions for HIV, TB and malaria to ensure access to quality services by beneficiaries. | **Partially effective** | **Audit period**<br>January 2021 to December 2022<br><br>**Grants and implementers**<br>The audit covered the Principal Recipients and sub-recipients of Global Fund supported programs.<br><br>**Scope exclusion**<br>Financial management of Principal Recipient (UNDP) is scoped out in consideration of the single audit principle. |
| Controls and processes in place to ensure continuous availability of quality-assured health commodities and accountability across the supply chain. | **Effective** | |
| Governance, oversight mechanism and implementation arrangement in place to ensure accountability, as well as timely and effective implementation of grant activities. | **Partially effective** | |

The audit team visited 25 health facilities, hospitals and district pharmacies across three provinces (Bujumbura, Kirundo, Ngozi), as well as the central medical store (CAMEBU)'s warehouse. The visited health facilities account for 12% of the national ART cohort and 28% of notified TB cases, while visited provinces outside Bujumbura account for 26% of all malaria cases.

# 2. Background and Context

## 2.1 Country Context

Burundi is categorized as a Core country, as per the Global Fund differentiation framework, and is under both Challenging Operating Environment (COE) and Additional Safeguard Policy status since 2016 following a Secretariat's assessment that took into consideration various parameters.

A landlocked country located in Eastern Africa, Burundi is characterized by a low-income economy, and is one of the most densely populated countries in the world, with a density ratio of 442 people per square kilometer. Half of the population are women (50.6%) and 41.5% are under the age of 15.[11]

The national health system[12] is organized in a pyramid structure with four levels: central, intermediate, local and community. It comprises over 18 health provincial offices, 80 district hospitals, and 1,182 health centres. Geographic access to health services is relatively good. 80% of the population has access to a health care facility within 5 km, a key strength and a key contributor to the positive programmatic results achieved.

However, GDP contribution to health[13] has declined from 11.2% in 2010 to 6.5% in 2020. The country has a shortage of health workers with 0.1 physicians per 1,000 people against the World Health Organization standard of one per 1,000 people.[14]

| Country data[15] | |
|---|---|
| Population | 12.5 million |
| GDP per capita | US$221.5 |
| Corruption Perception Index | 169th of 180 |
| UNDP Human Development Index | 187th of 191 |
| Government spending on health (% of GDP in 2020) | 6.5% |

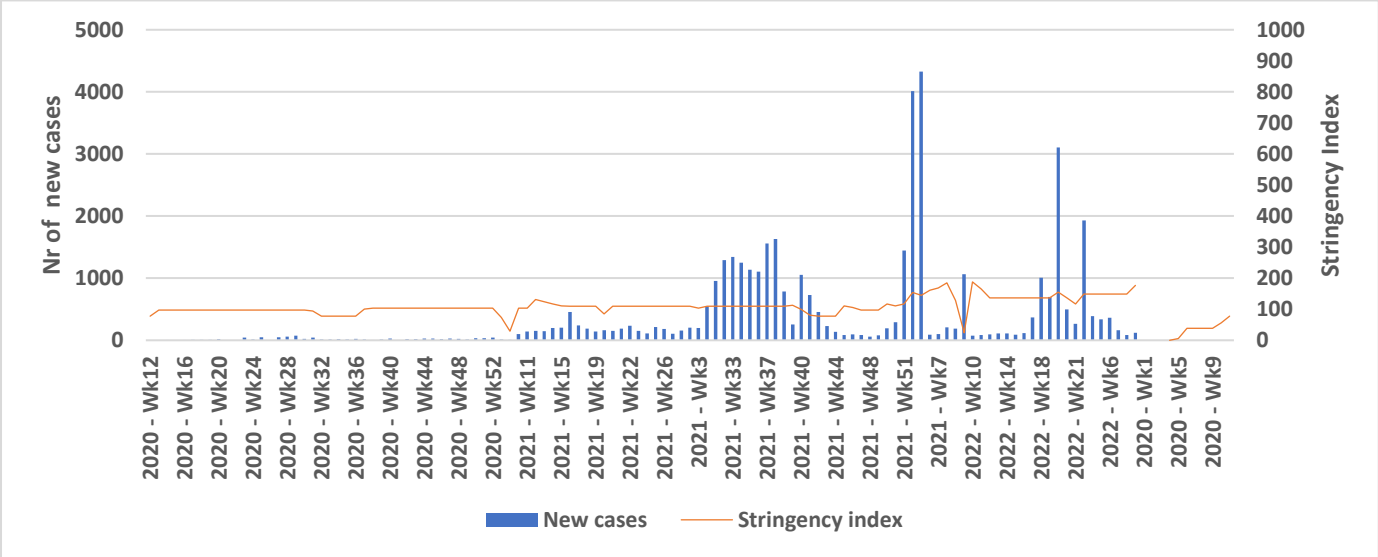
[11] The World Bank in Burundi
[12] Severe Malaria Observatory
[13] Current health expenditure (CHE) as percentage of gross domestic product (GDP) (%) - World Health Organization
[14] World Bank database, 2016
[15] Sources: population, GDP, Health expenditure from World Bank Database; Corruption Perception Index by Transparency International; Human Development Index by UNDP; all accessed on 13 April 2023

## 2.2 COVID-19 Situation

The government of Burundi had taken preventive measures to slow the spread of the virus. Although there was no confinement of the population, the impact of COVID-19 was felt through lower attendance rates at health facilities and delays in the implementation of certain programmatic activities, notably those requiring meetings or workshops. Cumulatively, from the start of the pandemic until April 2023, the case fatality rate has been 0.03%.[16]

**COVID-19 statistics** (31.05.2023)
- Confirmed cases – 53,762
- Deaths – 15
- Recovered – 53,747

*Figure 1: COVID-19 cases and stringency index*[17]




[16] University of Oxford Our world in data Accessed on 8 June2023
[17] University of Oxford Our world in data Accessed on 8 June 2023

## 2.3 Global Fund Grants in the Republic of Burundi

Since December 2003 the Global Fund has signed over US$512.92 million and disbursed more than US$499.69 million to Burundi (as of April 2023).[18] Active grants total US$149 million, of which 88% was disbursed for the 2021 to 2023 funding allocation period.[19]

The United Nations Development Programme (UNDP) is the Principal Recipient of three out of four grants in Burundi. They are:

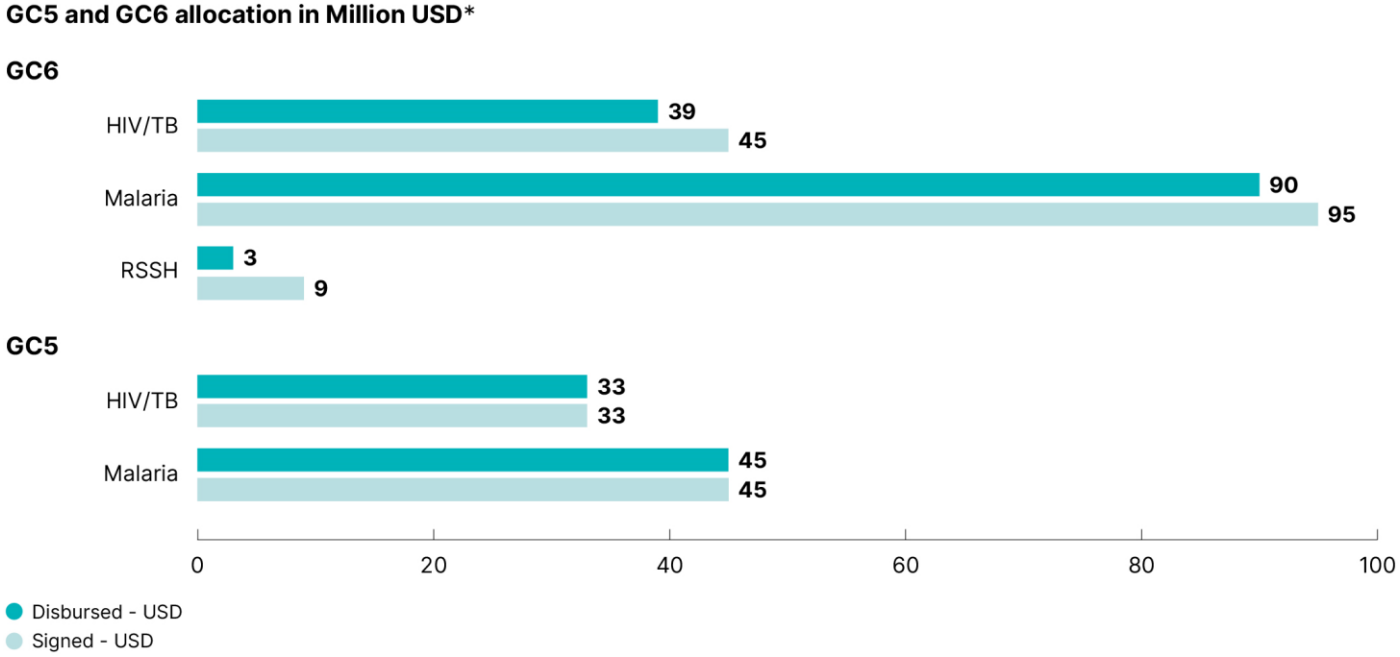
- Combined HIV/TB grant: US$45 million
- Malaria grant: US$65 million
- C19RM grant: US$30 million

The remaining grant for building Resilient and Sustainable Systems of Health (RSSH) is for US$9 million and is managed through a dedicated Ministry of Health Project Management Unit (*Unité de Gestion et d'Appui au Développement Sanitaire – UGADS*).

Grants are implemented by sub-recipients from either civil society (Red Cross Burundi, CARITAS Burundi and UNDP) or by the dedicated Ministry of Health National Programmes.

In GC6 grant funding (2021-2023), 61% of the grant goes towards procuring medicines, health products and equipment. The central medical store (CAMEBU) is responsible for storing and distributing medicines and health products related to Global Fund grants.

*Figure 2: Funding allocations, prior and current funding cycles (as of April 2023)[20]*




(*) GC6 Malaria grant of US$95.58 million includes a US$30 million C19RM component

[18] The Global Fund's Data Explorer, Burundi Overview, accessed on 17 April 2023. GC6 and GC5 respectively refer to the 2021-2023 and 2018-2020 grant implementation periods

[19] Figures are from internal data source - Grant Operating System (GOS), accessed on 17 April 2023

[20] Figures from Grant Operating System (GOS), accessed on 17 April 2023

## 2.4 The Three Diseases

| HIV/AIDS (2022) | TUBERCULOSIS (2021) | MALARIA (2021) |
|---|---|---|
| **80,000 people are living with HIV** as of 2022. 87% know their status and 85% are on treatment.<br><br>Burundi has among the highest treatment coverage in East and Southern Africa with an excellent linkage from HIV testing to treatment (98%).<br><br>**Annual new infections decreased by 71%** from 4,500 in 2010 to 1,300 in 2022.<br><br>**AIDS-related deaths decreased by 79%** from 6,100 in 2010 to 1,300 in 2022.<br><br>**85% of pregnant women** in need of ARVs for PMTCT received ARVs in 2022. The mother to child transmission rate including during breastfeeding is estimated at 11%.<br><br>The HIV epidemic is **concentrated among the three main key populations** with higher prevalence among: men who have sex with men (5.96%), injectable drugs users (15.3%) and sex workers (30.9%) – IBBS 2021 data.<br><br>*Source:* UNAIDS – Burundi fact sheet (Accessed on 17 July 2023) | **Of the 13,000** estimated TB cases, only 54% are diagnosed and treated.<br><br>**TB incidence has declined by 31%** since 2010, from 144 to 100 per 100,000 people in 2021.<br><br>**Mortality rate has decreased by 30%** since 2010, from 33 per 100,000 to 23 in 2021.<br><br>**Treatment success rate is 95%,** one of the best outcomes of multidrug-resistant TB (MDR TB) treatment in Africa. However, the country struggles to find MDR TB cases (46 out of 240 expected cases in 2021 – 19%).<br><br>**HIV/TB co-infection reduced by 76%** from 3,000 cases in 2010 to 720 in 2021. As of 2021, 100% of HIV positive TB patients are on antiretroviral therapy during TB treatment.<br><br>*Source:* Burundi TB country profile 2021 ; WHO database (accessed on 17 April 2023) | Malaria is **endemic** across the country with higher transmission in highlands and less concentrated in lowlands.<br><br>WHO estimated **6.6m malaria cases** in 2021 (vs 5.6m in 2010).<br><br>The long-term effectiveness of **LLIN mass campaigns (2014, 2017 and 2019) is limited**. The number of malaria cases remains stable or declines the year following LLIN mass campaigns and increases from the second year onwards. A contributing factor could be the reduced durability of the distributed nets (estimated at 1.3 years[21]).<br><br>Estimated **malaria-related deaths** slightly increased by 9%, from 5,470 in 2010 to 5,957 in 2021.<br><br>*Source:* World Malaria Report 2022 |

[21] LLINs durability research

# 3. Portfolio Risk and Performance Snapshot

## 3.1 Portfolio Performance

Historically, Global Fund grants in Burundi have achieved a moderate performance against targets,[22] as shown below.[23]

**GC5 Allocation (2018-2020)**

| Grant Name | Component Name | PR Name | Total Budget USD | Grant Rating S1 2018 | S2 2018 | S1 2019 | S2 2019 | S1 2020 | S2 2020 | S1 2021 | S2 2021 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| BDI-C-UNDP | HIV and TB | United Nation Development Programme (UNDP) | 35,644,804 | B1 | B1 | B1 | B1 | B1 | B1 | N/A | |
| BDI-M-UNDP | Malaria | United Nation Development Programme (UNDP) | 46,826,625 | B1 | A2 | A2 | A2 | A2 | B1 | N/A | |
| **Total** | | | **82,471,430** | | | | | | | | |

**GC6 Allocation (2021-2023)**

| Grant Name | Component Name | PR Name | Total Budget USD | Grant Rating[1] S2 2018 | S1 2019 | S2 2019 | S1 2020 | S2 2020 | S1 2021 | S2 2021 | S1 2022 | S2 2022 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BDI-C-UNDP | HIV and TB | United Nation Development Programme (UNDP) | 44,840,462 | N/A | | | | | B1 | C4 | C5 | C3 |
| BDI-M-UNDP | Malaria | United Nation Development Programme (UNDP) | 95,581,147 | N/A | | | | | B1 | C5 | C5 | C2 |
| BDI-S-UGADS | RSSH | Ministry of Public Health PMU, UGADS | 8,532,984 | N/A | | | | | | | C5 | C5 |
| **Total** | | | **148,954,593** | | | | | | | | | |

(*) A new performance rating scale has been defined for all Global Fund portfolios since January 2022.

[22] All grants cover a three-year period except for the GC6 RSSH grant which is implemented over two years (2022-2023).
[23] Blank periods represent different implementation periods between the grants.

## 3.2 Risk Appetite

The OIG compared the Secretariat's aggregated assessed risk levels in key categories covered in the audit objectives with the residual risk based on OIG's assessment, mapping risks to specific audit findings. The full risk appetite methodology is detailed in Annex B.

| Audit area | Risk category | Secretariat aggregated assessed risk level | Assessed residual risk based on audit results | Relevant audit issues |
|---|---|---|---|---|
| **Programmatic and Monitoring and evaluation** | HIV - program quality | **High** | **Moderate** | 4.1 |
| | TB - program quality | **High** | **Moderate** | 4.1 |
| | Malaria - program quality | **Moderate** | **Moderate** | 4.2 |
| **Health product management and supply chain** | In-country supply chain | **High** | **Low** | 4.3 |
| **Governance** | In-country Governance | **Very High** | **Very high** | 4.2<br>4.4 |

**Global Fund grants in Burundi: comparison of OIG and Secretariat risk levels**

There is a misalignment between the Secretariat risk levels assessment and the OIG audit rating on two out of the three audited areas:

- **Programmatic and Monitoring & Evaluation:** HIV and TB program quality was rated high by the Secretariat and moderate by the OIG. The Secretariat risk rating is driven by the programmatic gaps highlighted in finding 4.1. While acknowledging the need to address these gaps, the OIG also considered the many areas achieving high performance (e.g.: TB treatment success rate, HIV care for adults) and impacts (e.g.: declined TB incidence, significant drop of HIV new infections and mortality) in determining the risk level for these two disease components.
- **Procurement and supply chain management:** The Secretariat risk rating is high because it has taken into consideration the lack of reliable LMIS, and improvements needed in the storage conditions at both central and peripheral levels. The OIG – considering the adequacy and effectiveness of existing control measures, which enabled the achievement of the key objectives of supply chain, such as quality assured drug availability, efficiencies and accountability – rated the risk as low. The OIG's Finding 4.3 of this report raises neither major nor moderate issues impacting these objectives, while acknowledging the existence of challenges that could potentially affect drug availability in future.
- **Governance:** Both OIG and Secretariat ratings are aligned. The Secretariat has rated this area as "very high" risk due to the ineligibility of the Burundi Country Coordinating Mechanism (CCM), challenges in the operating environment, as well as capacity issues of both UNDP and UGADS. The underlying reasons for ineligibility have been partially addressed at the time of the audit, however the CCM functioning needs to be observed over a longer period. Capacity gaps identified for UNDP have affected the grant performance, which despite recording an improvement of the financial grant absorption at end of 2022, has shown weaknesses in overseeing grant key activities. Regarding UGADS, the capacity gap is more emphasized. Even if the impact on the overall portfolio is limited given that UGADS manages only 6% of Global Fund grants to Burundi, the severity of the identified weaknesses may prevent MOH from managing a larger scope of activities and grant amount.

# 4. Findings

## 4.1 Inefficiencies in TB case notification, access to HIV care and national malaria response strategies may hinder maximizing impact

HIV treatment coverage remains low for children under 15 and access to HIV services is challenging for key populations. TB notification coverage is low, and while Burundi has adjusted its strategy to achieve a reduction of malaria morbidity and mortality, weaknesses remain in terms of efficiency.

**Low antiretroviral therapy (ART) coverage for children resulted in a disproportionate number of new HIV infections**

Burundi's HIV treatment cascade stands at 87–85–79 in 2022, compared to the 95–95–95 2025 targets set by UNAIDS.[24] This good result has led to the reduction of HIV-related deaths by 79% and new infections by 71% from 2010 to 2022. However, challenges remain regarding the most vulnerable (children and pregnant women) and key populations.

Children under 15 account for approximately 10% of total people living with HIV. The ART coverage of children with HIV under 15 is low (37% in 2022). This is a consequence of the challenges faced in finding HIV-positive children and the weak systems for overcoming these challenges.

The country implemented a strategy of index testing – testing children of HIV positive parents[25] – to fill the gap on paediatric ART coverage, however it does not include the home-based testing option for ART clinics covered by Global Fund grants. The OIG also noted that index testing records were not properly filled and updated in the six HIV sites visited during the audit.

The mother-to-child transmission rate remains relatively high (11% in 2022, against a target of 5%), due to the late initiation of antiretroviral treatment by some HIV-positive pregnant women (see section below). The rate of early diagnosis of newborns born from HIV-positive mothers is still low, at 49% in 2022, leading to a loss of new cases of HIV infection among children.

The estimated number of new HIV infections among children account for 38% of overall new infections while they represent only 10% of the people living with HIV in the country.

**Late enrolment of pregnant women to ART may be reducing the effectiveness of the prevention of mother to child transmission**

Early enrolment to Prevention of Mother to Child Transmission (PMTCT) service is critical for its success. Despite a relatively high PMTCT coverage reported at 85% in 2022,[26] only 44% of pregnant women attended the early antenatal care visit in 2022. Burundi has a high female ART coverage (92%); however, it is worth noting that out of 4,157 pregnant women[27] living with HIV who accessed PMTCT services in 2022, 32% of them were not on antiretroviral treatment before being pregnant. Their low attendance to early ANC can be linked to cultural barriers, as well as limited contribution of community health workers in the referral of pregnant women.

[24] 90-90-90: An ambitious treatment target to help end the AIDS epidemic / Figures from UNAIDS fact sheet or UNAIDS data - Burundi. (accessed 17 July 2023)

[25] In this context, index testing refers to HIV testing of the biological children of HIV positive parents.

[26] UNAIDS fact sheet (accessed on 17 July 2023)

27 From DHIS 2 database. This figure also includes HIV+ pregnant women (344) who were receiving ARV treatment during breastfeeding.

**HIV prevalence among key population has significantly increased over years, raising questions about the effectiveness of prevention activities**

Despite legal restrictions, implementers have been able to provide a prevention service package to 90% of key populations and tested 60% in 2021 and 2022. However, according to the latest survey conducted among key populations,[28] the use of condoms and knowledge of HIV prevention methods by key populations remains limited. The limited impact of outreach activities could be one of the key contributing factors of the observed increasing HIV prevalence among key populations over the years. Human right barriers affect the quality of prevention activities in many ways, including the limited number of places where key populations can access prevention services, as well as the lack of legal assistance.

**Despite the high TB treatment success rate, case notification remains low, slowing the reduction of TB mortality**

The TB treatment success rate in Burundi is among the highest in Africa (95% in 2021).[29] However, the TB case notification remains low at 54% in 2021 and has declined from 2017, when it stood at 61%.

Contributing factors to the low TB notification include lack of active TB case finding, low contribution from community health workers in referring TB cases to health facilities, lack of systematic testing of presumed TB cases in visited health facilities, and the limited use of GeneXpert machines as the first-line TB testing method. In response to the highlighted challenges, the country has adopted a strategy to boost TB case notification, but the implementation of its community component has been delayed since August 2022.

Incidence of TB has slightly declined from 114 per 100,000 inhabitants in 2017 to 100 in 2021. Estimated TB-related mortality rate increased by 10%, from 18 per 100,000 inhabitants to 20 in the same period. This increase is a consequence of the low notification of cases that in turn remain untreated.

**Continuous increase of malaria incidence calls into question the effectiveness of the current strategy**

According to DHIS2[30] records, approximately 100% of suspected malaria cases were tested in health centers[31] in 2021 and 2022. On average, 95% of confirmed malaria cases were treated in accordance with the malaria care guidelines. It is also worth flagging that malaria indicator measurement (e.g.: the testing of suspected cases) may provide an inaccurate result as the denominator is often made up of all tests performed, resulting in outcomes nearing 100%.

Malaria incidence however increased from 166 to 291 per 1,000 (75%) between 2012 and 2021. Although since 2014, it was observed that the number of malaria cases declined the first year following the distribution of LLINs but surged again in the second and third year. Compared to neighboring countries (e.g.: Tanzania, Rwanda) Burundi's incidence is twice as high, despite the similarity of their epidemiological contexts. These observations raise questions on the efficiency of the national response, which does not leverage malaria stratification across the country. Except for vector control (Indoor Residual Spraying and bed net type), malaria response activities are not sufficiently differentiated across districts despite their significant differences in incidence.

The country did not achieve the GC5 grant objectives aimed at reducing malaria incidence by 36% and is not likely to achieve the incidence reduction objective of the ongoing funding cycle.

[28] Results from the 2021 Integrated biological and behavioral survey (IBBS) report
[29] Data for this section are from Tuberculosis profile - Burundi (accessed on 19 April 2023) unless stated otherwise
[30] DHIS2 is an open source, web-based platform most often used as a health management information system (HMIS)
[31] Health facilities refer to primary healthcare center called a *Centre de Santé* (CDS) in the Burundi health system structure.

| **Agreed Management Action 1** |
| --- |
| The Global Fund Secretariat will work with the Ministry of Health, development partners, and implementers to:<br>(a) Increase the proportion of children under 15 years old living with HIV who have been diagnosed by revising the index testing approach to include home-based testing as an option<br>(b) Improve retention on ART of pregnant and breastfeeding women living with HIV through the mentor mother's approach<br>(c) boost notification of TB cases via strengthening community-based interventions<br>(d) consider a differentiated approach across districts for next funding cycle by leveraging the malaria risk stratification |
| OWNER: **Head of Grants Management Division** |
| DUE DATE: **31 December 2024** |

## 4.2 Inadequate governance and oversight of the 2022 Long Lasting Insecticidal Nets (LLIN) mass distribution campaign

Several weaknesses were observed in the governance and oversight roles played by the Principal Recipient and its two sub-recipients during the last LLIN mass campaign, which may have resulted in diversion or excess distribution of an estimated 500,000 LLINs.

The latest LLIN mass campaign distribution was completed in September 2022 after a three-month delay. From a programmatic standpoint, the LLIN mass campaign was successful considering its immediate impact. Malaria cases[32] dropped by 53% from 1.21 million in the first nine weeks of 2022 to 0.57 million for the same period in 2023.

However, in terms of governance and oversight, the OIG identified significant issues which might have resulted in potential diversion or overdistribution[33] of at least 500,000 LLINs based on the following observations:

- **Households not served:** Analysis of distribution voucher data showed that 176,000 registered households (8% of all households) did not receive nets during the campaign, representing around 500,000 LLINs not distributed as planned. Undistributed LLINs should have led to a larger quantity of LLINs left over than reported.
- **Partial distribution of LLINs to special groups:**[34] 568,449 LLINs were planned and procured for distribution to these specific groups. Based on DHIS 2 data, the actual number of LLINs distributed to these groups was 103,889. The difference of 464,560 nets was not reconciled and the excess LLINs remain unaccounted for.
- **Underestimated balance of remaining LLINs:** Based on distribution data in DHIS 2, the number of undistributed LLINs is estimated at 271,484 LLIN, but only 81,464 were collected and returned to warehouses at end of the campaign.
- **Intra-site transfer of LLINs was not properly documented:** The documentation formalizing transfers between distribution sites was not systematically or correctly used.

The above-mentioned observations are due to weak governance at the Steering Committee level and weaknesses around oversight by the Principal Recipient (UNDP) and sub-recipients during each phase of the campaign.

The Steering Committee endorsed a new approach[35] to the campaign, which reduced the time between registration and distribution, without ensuring that adequate and effective controls were in place to mitigate new risks stemming from the limited time allowed for data validation. The steering committee has also limited the role of health districts to supervising the campaign. Given their in-depth operational knowledge of the context, health districts could have been key implementing entities, or should have at least been consulted in the different phases. Other weaknesses include the following:

- Poor design and execution of household registration and activities:[36] there was limited verification over data posted in DHIS 2 during the campaign. After the distribution period, implementers flagged data errors or inconsistencies to the Ministry of Health, but corrections in the DHIS 2 were not made. Several inconsistencies have been observed by the OIG, e.g., agents visiting 10 times more households than the maximum set per day, overall registered population exceeding the projected population from the National Statistics Institute (ISTEEBU) by 18% instead of 10% as recommended by the technical partner.

[32] Data comes the malaria weekly report produced by the Malaria National Control Programme (PNILP) based on DHIS 2 data
[33] For this scenario, overdistribution means that households have received more LLINs than needed. This is not rational use of LLIN in a context of limited resources
[34] Special groups refer to military compound, boarding schools, etc. These groups are entitled to one LLIN per individual.
[35] This approach, implemented in other countries, consisted in combining households' registration with the distribution phase in consideration of infection risk of COVID-19.
[36] This is a critical step meant to identify the number of households and determine the quantity of LLINs to be distributed. The reliability of this process is key to limit the risk of overdistribution or under-distribution.

- Partial implementation of supervisions: Supervisions of national-level teams were carried out at the start of the campaign but were limited in scope as they were not intended to cover all localities in the country. Due to a nationwide fuel shortage, supervisions ensuring wider geographical coverage were delayed or not carried out at all, despite the Principal Recipient's efforts to supply them. These included district team supervisions, which were delayed by up to 10 days in some provinces, while outreach supervisions were not carried out in most cases.

| **Agreed Management Action 2** |
| --- |
| The Global Fund Secretariat will work with the Ministry of Health and implementers to:<br>(a) establish an assurance framework over each key milestone of the next LLIN mass campaign<br>(b) complete the post distribution survey for the 2022 LLINs mass campaign<br>(c) conduct end-to-end reconciliation of LLIN stock transactions (from central level down to the distribution points) for the 2022 mass campaign |
| OWNER: **Head of Grants Management Division** |
| DUE DATE: **31 December 2024** |

## 4.3 The supply chain arrangements were, with some exceptions effective in ensuring continuous drug availability and limiting the amount of expiries, but risks remain

The supply chain system is effective in achieving three key objectives supporting responses to the three diseases: continuous drug availability, limited expiries, and drug traceability. There is potential for improvement of the storage and logistics management information systems.

The country has managed to achieve continuous availability of key health products, despite the various challenges faced, including the lack of reliable consumption data, the absence of real-time visibility of stock at peripheral level, the limited distribution capacity of the central medical store and the non-distribution of products to the last mile.

**Continuous availability of key drugs and limited number of expiries across the supply chain have supported good treatment results for the three diseases**

For the period under review, key products – the main first-line ARV, first-line malaria and TB drugs, as well as HIV and malaria tests[37] – were continuously available at the central medical store and in the 21 visited health centres/hospitals across the country. This is in line with the good treatment performance reported through DHIS 2.

The in-country supply chain was also effective in preventing expiries. Expired products in 2021-2022 amounted to US$0.1 million (less than 1% of overall procurement). Based on the average monthly distribution of products and their expiry dates, the risk of expiries in the upcoming six months is assessed as low.

The continuous availability of drugs and limited expiries were achieved based on the regular update of quantification results (in the absence of reliable consumption data) and the effective monitoring of stock-out and expiry risks through the development of a stock-level analysis dashboard.

In addition, the Principal Recipient sourcing system enables the procurement of health products within a reasonable lead time. The three national disease programmes have put in place a review mechanism to validate orders from districts prior to their deliveries. Despite limited distribution capacity, the CAMEBU rents trucks if needed to ensure timely and flexible distribution of health products to districts.

The OIG could also successfully trace drugs procured for the country from the central medical store through the district warehouses to visited health facilities. This was achieved due to the maintenance of adequate inventory management tools. Physical verification and reconciliation of health products in visited health facilities did not reveal significant issues. However, in four out of the five hospitals visited in Bujumbura, laboratory services did not maintain stock cards for HIV and TB laboratory reagents and consumables, essential for determining actual consumption and stock levels.

**Need to improve the storage and the ongoing logistic management information system (LMIS) project**

Instances of sub-optimal storage conditions were observed in the warehouses of CAMEBU (Central Medical Store of Burundi). These include high warehouse temperatures, which was consistently close to the maximum allowed by health product manufacturers, due to inadequate insulation and cooling systems. Post marketing quality control was last conducted in 2022 and did not reveal significant issues around the quality of distributed drugs.

Maintenance dates were not indicated on the extinguishers observed. Storage areas (reception, storage, order preparation) were not properly segregated to prevent confusion among stocks. Finally, the CAMEBU warehouses do

[37] The tracer health products include: TDF / 3TC / DTG, covering at least 80% of ART patients, the HIV rapid test Determine, the anti-malaria first-line drugs Artemether-Lumefantrine ALu (four formulations), the malaria rapid diagnosis test, the first-line treatment of severe malaria (Artesunate injectable 60mg), the two key first-line anti-TB drugs (RHZE 150+75+400+275mg and RH 150+75mg).

not have an adequate mapping of health product storage locations to facilitate product retrieval. The ongoing funding cycle does not budget for improvement of storage conditions. Non-compliance with storage requirements could affect quality of products, physical security of the warehouse, as well as its efficiency in inventory management.

Regarding the logistic management information system, the consumption data recorded in the DHIS 2 is neither complete nor accurate as it shows for example that anti-malaria drug consumption exceeds reported treated malaria cases by 39% in 2021. The lack of reliable logistic data affects the accuracy of quantification and does not allow visibility of the stock level necessary to anticipate risk of stock-out in health facilities.

In response to this challenge, the Ministry of Health and partners, including the Global Fund, have planned to implement an electronic logistic management system (eLMIS). However, the OIG noted that some key risks to the successful implementation of the project are not yet addressed in the project's operational plan. The plan is primarily focused on risks around the electronic tool set-up and its utilization but does not include actions to remediate issues relating to the quality of logistic data generated by primary inventory management tools to be posted in the eLMIS.

**The OIG and the Global Fund Secretariat agreed no Management Action was necessary for this finding**

The Secretariat is contributing to two Supply Chain assessments to address issues identified with the country supply chain management infrastructure and facilities.

The eLMIS project is on-going and the Global Fund is financially supporting its implementation with several partners.

In both instances the Global Fund does not have complete control over the execution of the projects, limiting its ability to directly influence their outcome. Given the limited risks linked to the identified issues, additional actions would not result in a balanced management of the risk.

## 4.4 Limited capacity of implementers for planning, coordination and monitoring grant activities

Issues regarding the Ministry of Health's Programme Management Unit staffing impact effective grant implementation. The UNDP grant management system needs to tackle known challenges on a planning, coordination and supervision mechanism. These weaknesses combined with a challenging country context, have adversely affected the absorption of grants.

Under the current funding cycle arrangement, the United Nations Development Programme (UNDP) is responsible for managing two grants worth US$140 million (covering TB/HIV and malaria, including a C19RM component) while the Ministry of Health is the Principal Recipient of the RSSH[38] grant (US$8.5 million). The implementation of activities under these grants remains challenging in terms of capacity and processes, as well as the delayed start of the grant implementation (e.g.: C19RM, RSSH grant). It is also worth noting that the country context is challenging in various aspects (e.g.: weak financial management capacity of sub-recipients, national stock-outs of fuel etc.), which makes it difficult for effective and timely implementation of grant activities.

**Limited staffing capacity and need for better processes of UGADS have resulted in low absorption of grant fund**

UGADS currently implements grants from the Global Fund and GAVI on behalf of the Ministry of Health. The Global Fund and GAVI have put in place a fiscal agent to mitigate the financial and fiduciary risk of the grant.

The government of Burundi provides human resources and offices to support the functioning of UGADS. Most of the assigned staff do not meet the required experience and professional qualifications to effectively fulfil their duties due to the challenge to find civil servants within MOH that have the adequate capacity to manage grants from international funders. The positions where the gaps are more significant pertain to the financial and procurement functions, both critical to the success of grant implementation in the long term. It is also challenging to appoint technical staff such as laboratory specialists. UGADS is designed to manage all grants from development partners, on behalf of the Ministry of Health,[39] but this strategic vision cannot be achieved if UGADS does not recruit and retain staff with the necessary experience and qualifications.

The planning and monitoring tools in use (e.g.: the annual workplan) are not well designed, as a result they could not help to anticipate most challenges and allow an effective follow up of grant activities. Only six out of 24 planned procurements were executed timely in 2022. As a result, the absorption of the RSSH grant is estimated at 20% in 2022, with 94 out of 128 planned activities not completed (73%). While factors beyond the control of UGADS should be considered (e.g., late start of activities, weak capacity of some implementing entities), if the grant is not absorbed in a timely manner during the last year of implementation, the country will not benefit from the health system investments in the current period.

**Need to strengthen the planning, coordination and supervision capacity of the UNDP's Project Management Unit (PMU), as well as sub-recipient capacity**

UNDP manages 94% of overall grants to Burundi in the ongoing funding cycle. It has set up a well-structured and resourced PMU to implement the assigned grants. A functional review of the PMU was done in December 2022. Implementation of recommendations (e.g. grant performance monitoring, supervision of sub-recipients, planning tools) issued would further strengthen the capacity of the UNDP's PMU.

[38] Resilient and Sustainable Systems for Health. This refers to all activities aimed at strengthening the formal and community health systems.
[39] According to Article 5 (section 1) of the decision for setting up the UGADS.

One of the key responsibilities assigned to UNDP already during the previous funding cycle was to ensure that the sub-recipients' capacity is strengthened. This remains materially incomplete. Despite capacity assessments showing gaps, mainly in procurement and financial management systems, the CCM did not approve the initial capacity-building plan developed in 2019. UNDP has submitted a new capacity-building plan for sub-recipients in November 2022. However, this plan is awaiting approval by the CCM, which requires a consolidated plan that also takes into account the strengthening needs of UGADS and other implementing entities within the Ministry of Health.

The UNDP's PMU also failed to expediently implement the management actions arising from performance letters and reports. Only one out of the 10 management actions due in September 2022 was fully implemented, and more delays are noted in the execution of certain actions required by the Global Fund Secretariat.

With regards to grant management, the tools for planning activities (e.g. work plan template) are not specific enough concerning deadlines and responsibilities to allow anticipation of challenges, effective monitoring of activities and increased accountability. In terms of supervision and control mechanisms, the UNDP's PMU and its sub-recipients did not perform basic post-campaign controls during the latest LLIN mass campaign (e.g. DHIS 2 data consistency checks, LLINs stock reconciliation), which could have helped identifying issues at an early stage (as in finding 4.2) and facilitate the adoption of corrective measures to remedy the situation.

As a result, the UNDP's PMU recurrently failed to submit the biannual progress update to the Global Fund on time. The financial absorption rate of the two grants, including the C19RM investments, were 70% (TB/HIV) and 77% (malaria) at end of December 2022. The C19RM grant specifically shows a much lower absorption rate at 53%. These absorption rates indicate that key grant activities, including supervision and capacity building are only partially executed.

| **Agreed Management Action 3** |
| --- |
| (a) The Global Fund will work with the CCM, MOH, implementers and partners to support the delivery of the capacity building plan for UGADS / SRs by the CCM and MoH and prioritize critical activities for resource mobilization.<br>(b) The Global Fund Secretariat will request that UNDP:<br>i) Updates and strengthens their planning and grant management processes to enhance their effectiveness (financial and programmatic)<br>ii) Updates and secures CCM and SRs endorsement of SRs capacity building plan<br>iii) provides updates on the SR capacity building activities implemented |
| OWNER: **Head of Grants Management Division** |
| DUE DATE: **30 June 2024** |

# Annex A: Audit Rating Classification and Methodology

| | |
|---|---|
| **Effective** | **No issues or few minor issues noted**. Internal controls, governance and risk management processes are adequately designed, consistently well implemented, and effective to provide reasonable assurance that the objectives will be met. |
| **Partially Effective** | **Moderate issues noted**. Internal controls, governance and risk management practices are adequately designed, generally well implemented, but one or a limited number of issues were identified that may present a moderate risk to the achievement of the objectives. |
| **Needs significant improvement** | **One or few significant issues noted**. Internal controls, governance and risk management practices have some weaknesses in design or operating effectiveness such that, until they are addressed, there is not yet reasonable assurance that the objectives are likely to be met. |
| **Ineffective** | **Multiple significant and/or (a) material issue(s) noted.** Internal controls, governance and risk management processes are not adequately designed and/or are not generally effective. The nature of these issues is such that the achievement of objectives is seriously compromised**.** |

The OIG audits in accordance with the Global Institute of Internal Auditors' definition of internal auditing, international standards for the professional practice of internal auditing and code of ethics. These standards help ensure the quality and professionalism of the OIG's work. The principles and details of the OIG's audit approach are described in its Charter, Audit Manual, Code of Conduct and specific terms of reference for each engagement. These documents help safeguard the independence of the OIG's auditors and the integrity of its work.

The scope of OIG audits may be specific or broad, depending on the context, and covers risk management, governance and internal controls. Audits test and evaluate supervisory and control systems to determine whether risk is managed appropriately. Detailed testing is used to provide specific assessments of these different areas. Other sources of evidence, such as the work of other auditors/assurance providers, are also used to support the conclusions.

OIG audits typically involve an examination of programs, operations, management systems and procedures of bodies and institutions that manage Global Fund funds, to assess whether they are achieving economy, efficiency and effectiveness in the use of those resources. They may include a review of inputs (financial, human, material, organizational or regulatory means needed for the implementation of the program), outputs (deliverables of the program), results (immediate effects of the program on beneficiaries) and impacts (long-term changes in society that are attributable to Global Fund support).

Audits cover a wide range of topics with a particular focus on issues related to the Impact of Global Fund investments, procurement and supply chain management, change management, and key financial and fiduciary controls.

# Annex B: Risk Appetite and Risk Ratings

In 2018, the Global Fund operationalized a Risk Appetite Framework, setting recommended risk appetite levels for eight key risks affecting Global Fund grants, formed by aggregating 20 sub-risks. Each sub-risk is rated for each grant in a country, using a standardized set of root causes and combining likelihood and severity scores to rate the risk as Very High, High, Moderate, or Low. Individual grant risk ratings are weighted by the grant signed amounts to yield an aggregate Current Risk Level for a country portfolio. A cut-off methodology on high risks is applied (the riskiest 50% of grants are selected) to arrive at a country risk rating.

OIG incorporates risk appetite considerations into its assurance model. Key audit objectives are generally calibrated at broad grant or program levels, but OIG ratings also consider the extent to which individual risks are being effectively assessed and mitigated.

OIG's assessed residual risks are compared against the Secretariat's assessed risk levels at an aggregated level for those of the eight key risks which fall within the Audit's scope. In addition, a narrative explanation is provided every Time the OIG and the Secretariat's sub-risk ratings differ. For risk categories where the organization has not set formal risk appetite or levels, OIG opines on the design and effectiveness of the Secretariat's overall processes for assessing and managing those risks.