

GLOBAL FUND TRACKING STUDY

Mozambique

Tanzania

Uganda

Zambia

COUNTRY SUMMARIES and CONCLUSIONS

2 August 2005

London

*London School of Hygiene
and Tropical Medicine*

Ruairí Brugha
Martine Donoghue
Mary Starling
Gill Walt

Uganda

*Institute of Public Health,
Makerere University*

Freddie Ssengooba
George Pariyo

Mozambique

*University of Eduardo Mondlane
Ministry of Health*

Julie Cliff
Benedita Fernandes
Isabel Nhatave

Zambia

*Institute of Economic and Social Research
University of Zambia*

Phillimon Ndubani
Stephen Mwale

PREFACE TO THE FOUR-COUNTRY TRACKING STUDY

The Tracking Study was designed to provide a country perspective on the early days of the Global Fund to Fight AIDS, Tuberculosis and Malaria in four sub-Saharan African countries: Mozambique, Tanzania, Uganda and Zambia (2002-2004). The purpose of the study was to give countries a voice and to reflect country level views on processes and procedures that have and will continue to evolve and change. This report, which summarises country-specific findings and conclusions, is a companion to a discussion paper that provides a comparative analysis of findings from the four country case studies. The report starts with an outline of the study objectives and methodology, followed by summaries and conclusions from the four country case studies.

The Global Fund is an initiative that has aimed to radically change the way assistance flows from rich to poor countries. Some commentators have seen the Fund as ‘vertical’ and retrogressive; whereas others have viewed it as a natural development, necessary because existing financing mechanisms were not getting funds quickly to where they were needed. The Global Fund aimed to introduce new ways of ‘doing business’ at the country level in several ways: by making aid flows more clearly performance-related; by expecting countries to apply for aid; by broadening levels of participation in the application and delivery process; and by making grant disbursement conditional on the achievement of progress and disbursement milestones. In so doing, the Global Fund has contributed to introducing new roles and relationships – between government, civil society and donors – at the country level.

Those designing the Global Fund seized a particular moment in 2001 – when health, and especially AIDS, TB and malaria were high on the international political agenda – and challenged world leaders to provide major additional resources to address these global health emergencies. The sense of pressure at the country level, reflected in these country summaries and conclusions, was driven by the urgency to get the resources quickly to where they were needed. At the same time, in setting up a new financing mechanism, new procedures and rules had to be established, and due process had to be followed. Funds could not be released until it was clear that they were going to well-designed projects, and would be accounted for through robust monitoring and reporting systems.

These reports are not evaluations of the Global Fund. They summarise and draw conclusions from the views of different country constituencies – governments, civil society, multilateral and bilateral development agencies – on the processes of establishing a radical new financial instrument, within complex and rapidly shifting environments. What emerged, especially in tracking the Global Fund in 2004, was that the donor landscape had become even more complex for countries over the previous year, because of the negotiation or establishment of other new financing instruments, such as the World Bank Multicountry AIDS Program (MAP) and the US President’s Emergency Plan for AIDS Relief (PEPFAR).

On balance, country perspectives on early Global Fund processes were often more critical than congratulatory. The clear impression given was that this was because the Tracking Study was enabling those at the country level to articulate their views on how to ensure the Global Fund achieved its goals. Some of the conclusions, based on fieldwork conducted in 2003 and 2004, may no longer be relevant at the country level in 2005. Others may continue to be. Some will be particular to one or more of these four countries; others will be recognized in other settings. In some cases, corrective measures may have been taken since the end of field work in April 2004. The Global Fund has shown itself to be a learning organisation and has tried to respond to country concerns. The study provides a ‘bottom-up’ perspective of a highly dynamic context. It is intended that there be lessons here for other global initiatives, and more generally for how donors ‘do business’ in poor countries.

BACKGROUND AND STUDY METHODS

In late 2002, four bilateral donors – DANIDA, Development Cooperation Ireland (DCI), Netherlands Directorate-General for International Co-operation and the United Kingdom Department for International Development (DFID) commissioned a team from the London School of Hygiene and Tropical Medicine (LSHTM) to conduct a study of early country-level experiences of the Global Fund to fight AIDS, TB and Malaria.

Field work in this four country study was conducted in two phases (April/May 2003 and March/June 2004), with approximately five weeks data collection in each country: Mozambique, Tanzania, Uganda and Zambia. The study was conducted with local collaborating institutions in all but Tanzania. These four countries were purposively selected and were not intended to be representative of all countries receiving Global Fund support. Criteria for country selection were:

- significant levels of disease burden for HIV/AIDS, TB and malaria
- ministries of health (MoH) in all four countries indicated support for the study
- all countries had instigated sector wide approaches (SWAps) in health
- the study funders had long-standing partnerships with these national governments.

The study tracked the views and experiences of governments and other country stakeholders of Global Fund supported programme activity. It is called a ‘tracking study’ because the focus and direction of the study were determined by the pace and pattern of Global Fund implementation in each country. By giving voice to country perspectives, this study aimed to learn from early experiences with a view to strengthening Global Fund processes. Specifically, the study aimed to:

- Synthesise government and other country stakeholders’ perspectives on the preparation of countries’ applications to the Global Fund, the functioning of Country Co-ordination Mechanisms (CCMs) and country implementation processes, where proposals had been funded.
- Identify lessons learnt and draw conclusions on the coordination of the Global Fund with existing country-level systems and processes.

An interim cross country report was disseminated in October 2003 at the end of the first phase of fieldwork; and draft cross-country analysis in December 2004, and final country reports were disseminated in January 2005. The findings summarised here are based upon a total of 267 interviews conducted with CCM members and other key stakeholders.

Study design & methods

Semi-structured interviews were conducted with 267 mainly national level stakeholders across the four countries: Ministry of Health (MoH) and other line ministry staff, donors (multilateral and bilateral agency representatives), civil society representatives (non-governmental organisations [NGOs] and People living with HIV/AIDS [PLWHAs], faith based organisations [FBOs], technical specialists and programme managers.

Semi-structured interviews, using a pre-devised topic guide to steer discussion, were conducted in English by a Research Fellow from the LSHTM, where possible in conjunction with a local colleague. Data collection was mainly by note taking with some interviews tape recorded. Notes were typed up after interviews and coded, initially using a common framework for the four countries that was based upon a content analysis of interview transcripts. Secondary information sources, such as policy statements, strategic frameworks and meeting minutes were reviewed, used and cited, where appropriate.

UGANDA

EXECUTIVE SUMMARY

This report describes the establishment and early functioning of the Global Fund to Fight AIDS, TB and Malaria in Uganda, based on 80 interviews with national level stakeholders across 2003 and 2004. Uganda successfully applied for Global Fund support in the first four application rounds. The Round 1 preparation process was led by the MoH, with a small number of senior staff devoting much time in late 2002 and early 2003 to drafting a cross-cutting systems building proposal. A disappointment was that Uganda was asked by the Global Fund to break the proposal into disease specific components. This outcome along with health sector budget ceilings undermined subsequent country ownership of the Global Fund process and contributed to a project approach to setting up the Fund in Uganda. Preparation of proposals for rounds 3 and 4 was contracted out to external consultants, mainly because too much of senior MoH staff time had gone into the Round 1 proposal. Generally, the CCM only got involved towards the end of each proposal preparation process.

There were contrasting views on the effectiveness of the CCM. Government viewed it as a genuine public private partnership and responded to complaints about lack of civil society representation by co-opting additional members on to the CCM. One outcome was that it had become large and unwieldy by 2003. Civil society viewed the Government as over-dominant on the CCM and as seeking to control funds. Guidelines drafted by the CCM in 2004 sought to address some of the governance and fiduciary problems that had emerged.

Many factors contributed to delays in setting up the systems and processes necessary for disbursement of funds: changing conditions and changes in the information requested by the Global Fund, for example around monitoring and evaluation and work plans, was one set of factors. Senior MoH staff spent time producing reports at a level of detail that was not required, which was seen as a significant opportunity cost. Other important factors were contention between the MoH and the CCM around the establishment of the Project Monitoring Unit (PMU) and between non-government and government CCM members around the Round 1 work plan and distribution of resources. Delays in disbursement resulted in frustration and suspicion among civil society about the whereabouts of funds.

The stand-alone project-type structure established to manage Global Fund resources – the PMU – and the sidelining of the CCM following grant signing continued to be a cause of contention in 2004. The PMU, which was formally established after the first three rounds of proposal preparation, lacked experience and understanding of Global Fund processes. Clearer direction from the Global Fund in-country, through its Local Fund Agent, might have helped overcome obstacles more quickly. By 2004, there were serious concerns among CCM members that it was not positioned to undertake its programmatic oversight role, in that accountability of the PMU to the CCM was not agreed. Some questioned the technical robustness of disease control plans, notably for malaria.

There were different views on the fit of the Global Fund within the Ugandan system. Some saw it re-igniting a competitive tension between the MoH and the Uganda AIDS Commission (UAC) over the control of new resources. Country-based donors saw it reversing coordination efforts. Civil society reckoned it had great potential to channel resources to NGOs and community-based groups who could make a difference in disease control. By 2004, the donor architecture had become more complex, due to the parallel effects of several initiatives for HIV/AIDS control. Early lessons on

the capacity limitations at the district level were emerging from the World Bank MAP and a USAID-funded AIDS initiative (AIM). Civil society, especially faith-based groups, saw new possibilities for support through the US initiative – PEPFAR.

The multiplicity of initiatives carried potential risks as well as potential benefits. Several funders could be competing for a limited number of high capacity implementing agencies. Mapping of initiatives and activities at the district level was needed, as co-ordination was becoming a major challenge. The influx of significant levels of external funds for disease control from a new source could have mixed effects: as well as enabling civil society involvement and galvanising national efforts, it could also undermine Government commitment, which might consider new funds as substituting for rather than additional to Government spending on health. Overall, respondents generally felt the Global Fund was providing an opportunity to increase levels of funding to address major diseases which are responsible for a sizeable burden of morbidity and mortality in Uganda.

CONCLUSIONS

- The Global Fund initially engendered considerable excitement and anticipation, especially among Government and civil society, that it would provide much needed resources for strengthening health systems and scaling-up disease control activities in Uganda. Though processes were at times contentious, there have been positive aspects to the initiative.
- The Global Fund provided civil society with a forum to represent the interests of people living with HIV/AIDS, allowed NGOs a national level voice, and tested an approach to public-private partnership. This was an addition to the AIDS Partnership Committee (under the UAC). It also provided an initial outline of a model whereby funds could be disbursed to implementing agencies at the community level. Early problems have been more prominent than successes in the findings reported here. With Uganda's history of managing health systems reforms, one would hope that lesson learning would occur and early problems would be resolved in time.
- The rejection of Uganda's Round 1 cross-cutting proposal undermined government ownership. A cross-cutting proposal might have been successful in a later round, when the Fund had become more flexible and was responding to criticisms that it was undermining systems building.
- Macro economic arguments and the Government of Uganda's desire to observe sector budget ceilings contributed to the subsequent operationalisation of the Global Fund in Uganda in project mode, with a stand-alone Project Monitoring Unit (PMU) to oversee implementation. The establishment of the PMU enabled Uganda to accept additional funds for health, while keeping them outside of the Government budget ceilings.
- The pressure of competing activities meant that proposal preparation for all four rounds was not adequately consultative, undermining the partnership principle of the CCM. Whether or not poor communication and delayed dissemination of information was sometimes used as a control mechanism, it contributed to such a suspicion among civil society. The pressure to have a CCM in place within weeks of the launch of the Global Fund contributed to a top-down selection process of representatives from the non-government sector.

- There were many obstacles to effective constituency representation, for example lack of resources, over-work, perceptions of conflicts of interest. However, there were positive efforts to improve representation, using and stimulating the development of umbrella bodies. Investing and building capacity in such bodies is likely to be an important way for ensuring civil society voices are articulated in a coherent and consensual way, ensuring feedback on the effectiveness and equity of implementation.
- Constituency views around the performance of the CCM were quite polarised. Structural changes, notably the expansion of the CCM by the inclusion of additional representatives made the CCM less efficient without addressing underlying issues. One contentious issue appeared to be around non-government demands to be equal partners and Government believing that it had a mandate to take a leadership role. This could be viewed as a natural tension in that the HIV/AIDS emergency, in particular, had enabled and given voice to a vocal civil society in Uganda.
- The operating procedures drafted by the CCM in May 2004 did not address underlying dynamics and unhappiness around balance of power. Earlier guidance from the Global Fund on the distribution of key CCM positions among the different constituencies would have helped inform what became a contentious debate in Uganda (guidance on this matter was issued in June 2004).
- Uganda did not find it easy to operationalise the CCM concept. The envisaged high level political representation did not materialise and line ministries other than MoH did not play an active role, which – by default – gave MoH a high level of influence. Lack of engagement of other ministries could become a threat to intersectoral mainstreaming activities and links, when it came to implementation. Inclusion of malaria and TB under the CCM may have led the other line ministries to view the Global Fund as more of a health fund.
- During proposal preparation, there had been a disease imbalance on the CCM with no voice and lack of technical expertise for malaria. These weaknesses could undermine the CCM's ability to play an oversight and appraisal role in relation to the Project Monitoring Unit (PMU) and undermine integration and co-ordination with other malaria control activities, once implementation took off.
- Country ownership of the CCM concept and the Global Fund process was being impeded by ongoing uncertainty and contention about the CCM's role in implementation, despite the dissemination of a series of guidelines by the Global Fund in mid 2003. The impression from a country perspective was that lack of internalisation of Fund guidelines and principles was partly because the Fund was just one initiative among many others through 2003 and 2004.
- Uncertainty around evolving Global Fund processes and changes in guidance and in the information the Fund requested, notably around work plans, contributed to delays in putting country systems in place and consequent frustration at what was perceived as slow disbursement, especially by PLWHAs. Inadequate communication between the main country stakeholders about the reasons for delays was generating rumours.
- There were delays in the establishment of the PMU, partly due to lack of consensus between MoH and the CCM about their respective roles and relationship in implementation. The request from country level stakeholders, notably from non-government organisations, for the Global Fund to be more prescriptive by insisting its guidelines be followed, illustrates the difficult

balancing act for the Fund – wishing to have a light touch and not impose its will on countries, even though country constituencies were polarised.

- Once established, the PMU was taking time to learn the Global Fund system and ensure that the necessary triggers for disbursement were successfully managed, including completion of several assessments required by the Fund. This was another disadvantage of setting up a stand alone project management structure, instead of utilising established ministry systems and staff who had become familiar with the Global Fund.
- Much of the uncertainty and delay in implementation in 2003 was exacerbated by the ‘light touch’ model adopted by the Global Fund. Its lack of a country presence appeared to be a weakness, in that clarifications and fine-tuning of systems and processes could not be easily provided from a distance. Given this model, the relationship between the Fund in Geneva and country-based partners, both multilateral and bilateral, might require more attention. The latter have more health sector and development assistance experience than does the LFA.
- Longstanding competitive tensions between MoH and the Uganda AIDS Commission (UAC) had been exacerbated some years previously when the World Bank MAP program was launched, and re-emerged with the Global Fund. The prospect of new funds and the potential for scaling up antiretroviral and other drug treatments were likely to have fuelled this competition.
- Differences in approaches to HIV/AIDS control, between a health focus and a wider intersectoral approach, appeared to have also been at play. The targeting of three diseases by the Global Fund, and the central role played by the MoH in channelling resources, contributed to it being seen as a health fund and appeared to make the ‘three ones’ concept, under a single over-arching national AIDS authority and policy framework, more difficult to achieve.
- Initial views on the fit of the Global Fund with pre-existing donor assistance mechanisms and country systems were polarised. Government saw the Global Fund as flexible money that Government could use to fill gaps. Others, especially bilateral donors, reckoned the fund was reversing efforts to build a co-ordinated system under SWAp and was encouraging Uganda to revert to project mode. Views had not significantly altered by April 2004, with the donor view possibly affirmed by proposals to locate GF procurement under the PMU (see next bullet), and GF planning at district level occurring outside of the routine planning system and mechanism.
- The structure of the Global Fund fiduciary system in Uganda raised the question as to whether the CCM was adequately positioned to perform the oversight role envisaged for it by the Global Fund. The CCM was not part of the chain of information sharing, decision making and responsibility that linked the MoFPED (as the PR) with the PMU, as the body responsible for day-to-day management of funded activities. Consequently many stakeholders shared concerns about matters of decision-making transparency and accountability. Locating procurement under the PMU was also a cause of considerable disquiet among some CCM members.
- While funds would pass through the Permanent Secretary MoH to the PMU, it was not evident how technical support and co-ordination with other MoH activities would be managed. The PMU was a new and relatively lean body (9 staff), with untested capacity. The role of other agencies in building the capacity of lead agents and implementers could be crucial.

- By 2004, Uganda was grappling with several new Global Health Initiatives for HIV/AIDS control, including Global Fund, World Bank MAP and the US President's initiative – PEPFAR. A feature of the new and more complex donor architecture at the country level, of which the Global Fund was a part, appeared to be that different country constituencies, including different Government organs – MoH and UAC, were identifying with particular new initiatives that would channel funds through them.
- The nature of parallel global financing initiatives for HIV/AIDS control, and the huge levels of resources that they bring, were an additional challenge to the Three Ones concept in Uganda. The need for consensus and capacity in one coordinating body would be greater when the different initiatives had reached full implementation speed.
- Lessons relevant to Global Fund implementation needed to be learned from MAP and a USAID-funded district AIDS initiative – AIM. These had encountered serious capacity weaknesses at the district level. Parallel HIV/AIDS control initiatives were competing to recruit and fund the limited number of capable NGOs and risked undermining the public sector system. The phenomenon of 'brief case' or bogus NGOs was reported, which respondents attributed to the advent of new global resources (including the Global Fund), weak co-ordination systems and a pressure to spend quickly.
- The need for a map of the different initiatives, including planned and actual activities at the district and community level, was evident to observers in 2004. There would be advantages in complementary bottom-up and top-down mapping. A positive finding was that programme managers were already thinking in 2003 about how to offset ear-marked funds and redistribute the more flexible Government funds, so as to promote equity and ensure that less popular activities and districts did not get neglected.
- The view, among some district and national level respondents, was that districts were not yet ready for Global Fund implementation, partly because of lack of consultation with them. They needed to incorporate Global Fund activities into their plans, build district level co-ordination and have systems in-place to ensure that drugs did not go astray. In mid 2004, planning for GF activities at district level was occurring as an independent exercise - not yet mainstreamed into the routine annual planning cycle.
- Changes in the malaria plan did not appear to be based on good evidence of effectiveness and was not fully consistent with national policy.
- The contradiction in government policy generated by new funds, whereby they could be accepted if they were channelled outside of the government budget, was reinforcing a project modality. This might not be sustainable in the long term if the Ministry of Finance was to include project budgets within overall sector ceilings in subsequent years.
- Despite assurances that Global Fund support would be additional to existing funding for the health sector, at least for rounds 1 and 2, there was some evidence that it would substitute for Government of Uganda funds to Health. If this proved to be the case, it would undermine a fundamental principle of the Global Fund. It was not evident that the Global Fund and other donors involved in sector and budget support had the leverage to support Government in maintaining its own commitment to Health and the social sectors, beyond the crude leverage of reducing levels of aid.

ZAMBIA

EXECUTIVE SUMMARY

This report describes the establishment and early functioning of the Global Fund to Fight AIDS, TB and Malaria in Zambia, based on interviews with 60 national level stakeholders in mid 2003 and early 2004. A Government-led process resulted in a successful Round 1 application in March 2002 and again in Round 4, April 2004. In both rounds, Zambia received large awards, which between them covered the three diseases.

The appropriate constituencies were represented on the Country Coordination Mechanism (CCM). Problems that were encountered included: uncertainties about the CCM's function after grant signing, a perceived lack of legitimacy of the CCM in comparison to the National AIDS Council (NAC), and ineffective support from the NAC as the CCM secretariat. Inadequate communication at all levels was reported, which undermined constituency representation. Reasons included: weak communication infrastructure, turnover of individual CCM representatives, constituency partnership structures were weak or not fully utilised, and the effects of competing work priorities. The roles and therefore the appropriate composition of the CCM were still uncertain in 2004. Removal of the Principal Recipients (PRs) from the CCM, so as to address concerns about conflict of interest, further undermined the CCM's involvement in supporting programme implementation. In early 2004, the CCM was more focused on Round 4 proposal preparation than on Round 1 implementation.

The Round 1 success received much national publicity and was a cause of national pride. Soon after grant approval in June 2002, Zambia selected four Principal Recipients (PRs) to receive, channel and account for Global Fund resources: Ministry of Finance (MoF), Central Board of Health (CBoH), Churches Health Association of Zambia (CHAZ) and the Zambia National AIDS Network (ZNaN). Government's support for civil society to control the funds that would come to it demonstrated its commitment to partnership. Concerns in 2003 about the capacity of a civil society PR to undertake its PR functions had lessened by 2004, in that it had received capacity strengthening. Other donors were looking to use this model for disbursing funds to civil society groups, which was a positive systemwide effect of the Global Fund in Zambia.

The PRs reported that the Global Fund, with its promise of rapid financing, was not providing clear guidance on what were its information needs. PRs needed guidance on what systems to put in place to receive funds. Poor communication at all levels, which included information sent to the Local Fund Agent going missing, had contributed to funding delays. Because of the raised expectations in 2002, there was a perception that disbursement had been slow, which had put the PRs under pressure from their constituencies. By 2004, all PRs except MoF had received funds and had started to disburse, or had started signing contracts with sub-recipients.

Overall, Government and civil society had a positive view of the Fund in 2003, in that it was a Zambian led process; it had helped to promote a public private partnership, which involved civil society; and it offered greater flexibility than did other donors regarding how funds could be used. In spite of delays in relation to expectations, it was not perceived to be slower at disbursement than other donors. Major problems were that Global Fund planning and reporting timelines were different to Government and other donors; and quarterly reporting was considered too frequent. Respondents hoped that these were transitional features. A donor view was that years of effort to build a co-ordinated SWAp was being reversed and that the Global Fund, in view of its lack of a

country presence – its ‘light touch’ – should have been making better use of the inside knowledge of country-based donors.

Inadequate coordination of planning, reporting, and monitoring and evaluation were not problems particular to the Global Fund. In 2004, Zambia was negotiating with a range of HIV/AIDS control financing initiatives – Global Fund, World Bank and PEPFAR – poorly co-ordinated and perceived to be in competition with each other to influence the monitoring system to meet their particular information needs. It had long been recognised that the NAC lacked the capacity to co-ordinate these, and its capacity was yet to be strengthened. As parallel initiatives reached the district level, it was anticipated that there would be poor coordination, turf wars, and competition for scarce human resources. Lack of human resources and Government ceilings on staff levels and salaries could be a major obstacle to scaling up disease control activities.

CONCLUSIONS

Zambia hit the ground running when the Global Fund was launched in January 2002. Its Round 1 application, covering all three diseases, was successful. In many respects, the early stages of establishing Global Fund systems and processes had been a positive experience. There was a strong ‘feel good’ factor in 2002, still reported in mid 2003, because the application was a government-led decision and process, mostly put together by Zambians; and as a consequence of this new source of funds, Zambia could be less dependent on its existing donors. The positive views reported here reflect the hopes of Government and non government partners that the Fund would make a big difference.

Some donors, bilateral especially, but also multilateral agency representatives, were and continued to be critical of aspects of the Fund into 2004. However, this should be read as constructive criticism. From the start, from the time of the Round 1 application, the donors supported Government and sought to have a positive and corrective influence on how the Fund processes were rolled out. They, like all others, realised that it would be politically unacceptable for the Government of Zambia to forgo such a large funding opportunity.

Generally, Zambia managed the early stages of setting up the Fund comparatively well, when compared with the other three countries in the Tracking Study. Most of the first tranche disbursements had been made in 2003. By 2004, non government Principal Recipients (PRs) – an NGO and faith-based body – were in the process of signing contracts with implementing agencies; and applications for the second tranche of funds had been submitted to the Fund.

Positive system-wide effects of the Global Fund were evident in Zambia, notably:

- There was evidence of partnership building, engaging civil society groups and the private sector. Significant funds were to be disbursed to non government sectors; and Government had supported the selection of a civil society PR to manage disbursement. The perception of some respondents that Government was dominant – that it was a Government CCM – could be considered the result of the natural tension one would expect when Government is asked to share power with other stakeholders.
- The Global Fund provided an opportunity to develop and test a model for disbursing funds to civil society. This mechanism was going to be used by other donors. Capacity-building of the PR for NGOs had been conducted so that it could undertake its new financial management and oversight functions.

- The selection of four PRs would enable comparisons to be made and lesson-learning between the different disbursement models. The non government PRs were already engaged in lesson-sharing. This was likely to be mutually beneficial, as faith-based bodies have a strong track record of service delivery, especially at the health facility level, and NGOs often have strong links with communities, especially people living with HIV/AIDS.

Inevitably, as some respondents saw it, there had been early problems, which are reported here. Also, there were some more systemic problems, either precipitated or revealed by the introduction of the Global Fund:

- In 2002, following the highly publicised success of Zambia's Round 1 application, the public's expectations had been raised about this rapid new financing mechanism. Raising expectations may have been a way of driving the process, both nationally and internationally. There may have been a failure to anticipate the inevitable delays associated with setting up new disbursement and oversight systems. Expectations of 'rapid funding' were not met and frustrations brewed.
- Compared to other initiatives and donor funding systems, the pace of the process was fairly quick. Zambia, initially through its CCM and later its PRs, managed the pace well and found the Global Fund had difficulty keeping ahead. Information the Global Fund required, which was a condition for the first and second disbursements, was seen to be constantly changing – termed 'goalpost shifting' – resulting in additional work at the country level.
- Respondents recognised that the Global Fund was learning as it was going. It could not have been an easy judgement to find the right balance between the urgency to establish the Fund with the need to have clear systems and processes in place for countries to follow. In Zambia, information gaps were an irritation, but respondents hoped that these were early hiccups that would be overcome.
- The Global Fund came with a blueprint for a new way of financing disease control, devised in late 2001 and outlined in its Framework Document. At the country level, Government and donors felt that this global approach was not sufficiently cognisant of the Zambian system and context. In practice, the Fund was seen as gradually adapting and becoming more flexible, as in agreeing to allow its funds pass through the SWAp basket as earmarked funds and in agreeing to four PRs.
- Many respondents, especially bilateral donors, believed there would need to be considerably greater adaptation of the Fund in Zambia, which Geneva would need to agree to, to ensure a co-ordinated system. The blueprint approach was probably inevitable, as global co-ordination of an initiative, that was going to be rolled out in well over 100 countries would require some standardisation, or it would otherwise become a co-ordination nightmare. From a Zambian perspective, there were clear downsides to this:
 - Chief among these were the reporting requirements (initially quarterly reports to the Fund); and the planning, budgeting and reporting timelines, which were out of sync with the SWAp. One senior Government respondent who was centrally involved could see it from the Global Fund's perspective – there was a need for closer financial oversight in the early stages, until the country had secured the Global Fund's confidence. Another possible explanation is that the Global Fund was under pressure to show early results – the 'collect it, spend it, prove it' mantra. Early accountability and successes would help leverage additional resources at the global level.

- A second concern to some, especially donors, was that the funds, though nominally going through the SWAp basket, were earmarked, being channelled in effect as vertical project funds. Government ministry staff were less concerned about this, in that they, including those at the district level, were used to managing project funds. If reporting timelines, frequency and formats could be harmonised, much of the associated burden would be removed. Most donors do not admit to attribution being a priority. However, a request to countries to demonstrate what ‘additional’ benefits and impacts have been achieved from GFATM resources implied that attribution, the third part of the mantra, could not be foregone.
- In some cases the Global Fund process was revealing underlying systems weaknesses, rather than causing them. For example, each of the four PRs was developing its own monitoring and evaluation (M&E) system, which was a condition for further disbursement. This was happening because of the absence of a nationally agreed M&E framework. PRs were irritated about the additional work because they would be duplicating each other’s efforts and would probably end up adopting a national M&E system at a later point. In the interim, the burden this will also place upon grass root implementers should not be underestimated.
- A longstanding systems weakness, which was widely reported, was the weak capacity of the National AIDS Council (NAC), which was under-funded and under-staffed. It had difficulty carrying out its designated function, which was to act as a coordinating body for mainstreaming HIV/AIDS control, part of the ‘Three Ones’ concept. The negative spin-off for the Global Fund in Zambia was that the NAC was not in a strong position to undertake the additional role of supporting and acting as an effective secretariat to the country co-ordination mechanism (CCM). Another consequence was that the legitimacy of the CCM was still uncertain, as moves to harmonise or merge the CCM with the NAC, perhaps as a NAC subcommittee, were still on hold in 2004, a year after this was first proposed.
- There were some specific features of the Global Fund that made it different to other financing instruments. As a partnership structure, CCM worked best during proposal preparation. In that Zambia had advanced further towards implementation than the other countries in the Tracking Study, some important lessons were emerging. The self-understanding of the CCM had evolved so that it saw itself as an overseer or ‘watchdog’ for the PRs, not just a proposal preparation partnership. Even if few CCM members could recall seeing Global Fund guidelines produced in mid 2003, the CCM’s post grant approval role had filtered through to members.
- However, the decision to remove the PRs from the CCM, which was an understandable response to questions raised about potential conflicts of interest, might need to be revisited. Some PRs felt isolated during the early implementation phase when support from and communication with the CCM would be vital. If NAC was not able to perform a coordinating role, Zambia might want to consider restoring the PRs to the CCM, perhaps in a non-voting capacity. The lack of an active feedback loop between PRs and the CCM would handicap the CCM in the performance of its review of PRs at the 18-24 month grant milestone. More generally, these findings reflected a tension between a coordinating and an overseeing role for the CCM.
- The Global Fund differed from traditional bilateral and multilateral donors by not having a country office or permanent country presence, wishing to have a ‘light touch’. The Local Fund Agent (LFA) was a new oversight model introduced by the Fund and intended to be its ‘eyes and ears’ at the country level. The LFA – like the CCM and the PRs – appeared to be grappling with evolving processes; and, hence, may not have always been able to advise the PRs about what were the information requirements of the Global Fund. Using existing financial and programmatic management systems would have been preferable from the country’s perspective.

However, again, this would have made global co-ordination much more difficult, if countries used different systems for such reporting.

- Two questions arose from the Global Fund's 'light touch' approach: was the Global Fund able to keep sufficiently in touch and on top of country level issues and problems? Did the Fund make sufficient use of the experience and insights of donors that had longstanding involvement in providing funds and assistance to the Zambia health system? As implementation moved ahead, soliciting active involvement and feedback from the co-operating partners on emerging obstacles and strategies to overcome them could be useful.
- Communication, in general, appeared to have been less than optimal. Having the LFA as an intermediary between the PRs and the Global Fund was perhaps necessary. Where there are several PRs – and down the road many sub-recipients – the transaction costs to the Global Fund Secretariat of having to respond to frequent requests for clarification and information from countries would be enormous. The Zambian PRs, however, found this frustrating. This highlights the downside of establishing and rolling-out systems quickly, in an organic evolving way. Arguably, the multiple PR model in Zambia was also placing higher demands on the system for effective communication and co-ordination.
- Communication within Zambia was poor, often due to logistical weaknesses and demands on a small key group of people, which made constituency representation difficult and particularly disadvantaged those in rural areas. Earlier problems of constituency representation and participation persisted into 2004, with the CCM not being viewed as a vibrant national organ. Communication infrastructure was one weakness that could be addressed by donors. Pending effective co-ordination of the CCM by a strengthened NAC, the CCM might look to harness the resources and support of existing partnerships, such as the health sector group.
- The original objective of the Tracking Study was to report the fit of the Global Fund with country systems, principally the SWAp. What emerged in 2003 and became an important focus of field work in 2004 was the difficulty countries were having in coordinating several different global health initiatives, especially around HIV/AIDS control. In Zambia the principles ones, alongside the Global Fund, were the World Bank Multi country AIDS Program and the US President's Emergency Plan for AIDS Relief (PEPFAR).
- With several new global health initiatives under negotiation, the need for co-ordination had become greater; and the need to strengthen NAC to undertake a coordinating role was even more urgent. Respondents predicted there would be confusion when these different initiatives reached districts. The perception that there was competition between them – that each was trying to ensure that the proposed national M&E framework met its own information needs – suggests an underlying need of each for attribution.
- The urgency for roll out and implementation created a climate of act now and co-ordinate and harmonise later. The lack of a national co-ordinated picture of HIV/AIDS donor and recipient activity could result in funding duplication and fragmentation. Good communication including meetings between implementing agencies and country-based donors would be vital.
- A systems issue, which had not been a major problem during proposal preparation, was likely to become one during implementation: lack of buy-in from other line ministries and – crucially – Ministry of Finance (MoF). Frequent turnover in Government, especially at the Permanent Secretary level, was reducing line ministries involvement and commitment to the Global Fund. This may have contributed to the delay in the MoF signing its Round 1 grant, as it needed first to reach agreement with several line ministries. This finding highlighted a tension between MoF maintaining control over the flow of finances, and its capacity and the priority it could

give to undertaking PR responsibilities, in view of the wider demands of national economic management.

- A more worrying area where MoF and high level political commitment would be needed would be around funding the human resources for programme delivery. There was the risk that a public sector employment freeze, as part of the Heavily Indebted Poor Country (HIPC) initiative, would become a major obstacle and rate limiting step to scaling up disease control services, especially for antiretroviral treatment. This is an area where development agencies and donors in wealthy countries would need to engage with global financial policy makers and development banks to ensure greater global policy coherence.
- The proposed abolition of the Central Board of Health was an unforeseen and potentially great risk to the success of the Fund and other new initiatives in Zambia. It was unclear how its PR responsibilities would be managed and if instability and staff turnover might lead to a loss of institutional memory that might set back Zambia's public health sector. At the least, a hiatus during this period of transition was likely.
- Within Zambia, there was a need for a more rational incentive system to retain trained health workers, so that staff did not have to rely on workshop per diems and sitting allowances to meet their basic needs. If commodities were purchased but staff were not trained and retained to deliver them, the poor, women and rural dwellers would lose out. Staff at the district level wanted to have the flexibility to use Global Fund money to motivate and retain staff.

TANZANIA

EXECUTIVE SUMMARY

This report describes the establishment and early functioning of the Global Fund to Fight AIDS, TB and Malaria in Tanzania, based on field work in mid 2003 and early 2004. A researcher conducted 53 interviews with national level stakeholders; attended and observed several meetings where Round 3 and Round 4 proposals were being prepared and also attended a CCM retreat in 2004; and reviewed secondary data, notably CCM minutes.

Tanzania invested a great deal of energy in preparing and submitting proposals to the Global Fund in each of the first four rounds; and was successful in rounds 1, 3 and 4 with proposals covering the three diseases. There was lesson learning and different approaches were taken to proposal preparation in successive rounds. The use of a long-term external consultant to coordinate the process worked well in rounds 3 and 4.

Despite these successes, there was a widespread perception that the CCM process had not worked well. Reported reasons included: lack of engagement of line ministries; civil society was not adequately able to represent its constituencies or participate fully in meetings; and there was poor communication and dissemination of information within the CCM. Initial lack of engagement of the Ministry of Health (MoH) and other line ministries may have been, in part, because the CCM model was seen as having been imposed on Tanzania. Efforts were being made in 2004 to improve its functioning.

Success in applying for Global Fund support was not accompanied by smooth implementation. Despite being selected for fast-tracking of its successful Round 1 malaria grant, a series of problems ensued: the MoH had signed the grant, although only the Ministry of Finance (MoF) was legally entitled to do so; and recent legislation covering contract tendering and taxation on imported items either delayed or put unacceptable obstacles to disbursement.

Earlier lack of senior political engagement in the CCM meant that these obstacles were yet to be overcome by March 2004. Other causes of delay were that capacity assessments, even for some of the Round 1 sub-recipients, were yet to be carried out; and a procurement mechanism had yet to be agreed. Donors, especially, believed that the Global Fund had introduced parallel financing and management systems that were undermining co-ordination efforts and principles outlined in the Tanzania Assistance Strategy.

The increasingly complex donor assistance and planning environment in 2003 and 2004 appeared to be contributing to delays in implementation. Government, with the assistance of their bilateral and multilateral agency partners, was negotiating or attempting to implement a range of different Global Health Initiatives for HIV/AIDS control: World Bank Multi-country AIDS Program (TMAP), Global Fund, Clinton Foundation and President's Emergency Plan for AIDS Relief (PEPFAR). It appeared that the effort going into negotiating with – and attempting to co-ordinate planning for – these initiatives, within an overall National Care and Treatment Plan, was at the expense of implementation. Co-ordination of global HIV/AIDS financing initiatives under the CCM was one proposal being considered, although it was not clear how this would affect the other diseases, notably malaria.

Views on the challenges to implementation were speculative, because of the delays to disbursement. Major challenges were anticipated to be: implementing agencies' lacking the capacity to manage

disbursement and monitoring conditions; lack of human resources for service delivery; and the risk that money would not be well spent. There needed to be greater lesson learning between the different initiatives, especially the early ones – TMAP and Global Fund, around disbursement to district implementing agencies, if success in getting proposals funded was to be translated into successful implementation. Co-ordination problems at the national level were likely to be mirrored by similar problems at the district level.

CONCLUSIONS

- Overall, there was clear support for some aspects of the Global Fund initiative in Tanzania. It had helped raise the profile of these three important diseases, might help address funding shortfalls, contributed to HIV/AIDS strategy development and would bring funds to resource the malaria bednet voucher scheme. Donors believed that it was helping to bring about collaboration between Government and civil society, even if relationships between them were still strained.
- The Global Fund mechanisms were still relatively new. Systems and processes had only begun to be put in place 15 months before the study began in April 2003. The initiative had developed at a rapid pace and continued to evolve with each application round and as Tanzania struggled to put systems in place and to meet conditions for disbursement. However, respondents were forthright in expressing reservations and pointing out what they believed were mistakes that had been made, current obstacles and likely problems with future implementation.

APPLYING FOR GLOBAL FUND SUPPORT

- Tanzania submitted proposals for Global Fund support in each of the first four rounds; it was successful in rounds 1, 3 and 4. Overall, a great deal of energy was invested in proposal preparation. There was lesson learning between rounds and experimentation with different approaches. There was a radical shift from an inevitably fairly top-down approach in Round 1 to a highly consultative process involving civil society in Round 2, and greater transparency around the budget in Round 3. By Round 4 the CCM had become more adept in proposal preparation.
- Reliance on external consultants to provide specific technical input, guide the application process and deal with comments from the GF Technical Review Panel worked well. There appeared to be greater tension between constituencies at the country level during the Round 4 process, particularly around what was perceived as pressure from a multilateral agency for Tanzania to apply for ARVs.
- Although after Round 1, countries had more warning and time to prepare for future application rounds, Tanzania continued to experience time constraints as submission deadlines approached. Various reasons appeared to account for this: changes to proposal formats and guidelines between each round, so that previous experience in proposal preparation did not always help. Efforts by the Global Fund to learn lessons and adapt its processes over successive rounds illustrate the difficult balancing act faced by the Fund, which was responding to demands for detailed guidance whilst needing to keep the application process simple.
- Poor time management may increasingly have been due to the pressure of competing activities. By Round 4, proposal preparation was taking place in a more complex funding and planning

environment, in the light of other new initiatives such as PEPFAR, Clinton and TMAP. Broadly, feedback from the TRP was considered reasonable although the failure of the highly consultative Round 2 application caused disappointment.

- Field work took place during Round 3 and again during the Round 4 proposal writing period. This timing may have contributed to the view of some respondents that the CCM was not focusing sufficiently on overcoming obstacles and finding solutions to implementation problems associated with the approved Round 1 grant. It may also point to a more systemic problem – that the CCM worked better when in proposal writing mode than in grappling with setting up new management systems.

COUNTRY COORDINATION MECHANISM

- The CCM was seen by Government as an imposition from outside and an additional and unnecessary structure that increased people's workload at the country level. Resentment of it may well have contributed to an initial lack of ownership of the CCM concept. TACAIDS played a more prominent role than MoH on the CCM in the first two years.
- Where weaknesses in CCM functioning were recognised, a great deal of effort went into addressing them, though not always effectively. For example, complaints that civil society interests were not being adequately represented were addressed by incorporating additional representatives on to the CCM. By 2003 the CCM had become large and unwieldy, with many meeting participants contributing little or nothing to proceedings. Most of the day-to-day workload was undertaken by key members of the CCM secretariat who were in regular contact with the Global Fund in Geneva. Secretariat members had other full time posts, which was likely to have constrained their effectiveness.
- Underlying problems, mainly around representation and participation, had not been effectively addressed: civil society representatives felt inhibited from speaking out and meeting processes did not enable them. Civil society was not well organised: there was either an absence of umbrella representative bodies or they were not meeting the expectations of constituency members. Attendance at CCM meetings by staff from the different line ministries did not translate into effective intersectoral participation. These were often middle level staff who did not have a mandate to represent and speak on behalf of their ministries.
- Lack of widespread political buy-in at a senior level was beginning to be addressed by early 2004, with the attendance by a senior Ministry of Finance representative at an important CCM meeting in 2003; and high level involvement from the Prime Minister's Office. Some of the obstacles to grant-signing and disbursement might have been avoided or overcome more quickly, if there had been this high-level political involvement earlier.
- Communication within the CCM was poor so that members did not have sufficient time to review draft documents in advance of meetings. While this was sometimes attributed to practical problems, such as lack of secretarial support, paper or toner, it also suggests underlying management weaknesses. Some informants had the impression that important decisions were taken by insiders and then brought to the CCM for endorsement. If this was the case, one likely factor was that efforts to make the CCM more inclusive by co-opting additional members had impaired its efficiency in decision-making, necessitating key decision-makers work outside of the CCM structure.

- By 2004, there was a clear recognition of the need to improve meeting processes and redefine the role of the CCM, especially as implementation of approved plans was moving slowly, in spite of the intervention from the Prime Minister's Office. A number of radical solutions were proposed at a facilitated CCM retreat in March 2004, including halving the size of the CCM and bringing responsibility for all HIV/AIDS global initiatives under the CCM's umbrella.
- There would be definite advantages in one intersectoral public private partnership having an overall coordinating role for HIV/AIDS control, in view of the different overlapping initiatives – TMAP, PEPFAR, Clinton and the WHO 3x5. However, there were unresolved problems of disease imbalance, with malaria and TB seen as lacking a strong voice on the CCM, which would need to be addressed. Also, country partners needed to be supported by global players to transform what appeared at times to have been a culture of control and competition between global initiatives into one of co-ordination and cooperation.

POST GRANT APPROVAL STRUCTURES AND PROCESSES

- The processes of Principal Recipient (PR) selection and steps necessary to meet initial disbursement milestones were protracted and sometimes controversial. There had initially been an expectation that Tanzania would move quickly to implement its Round 1 malaria grant; hence Tanzania was one of four countries selected for fast-tracking.
- However, the system proved slower than anticipated: the CCM did not receive a copy of the LFA's capacity assessment of the PR (the MoH); and the CCM was apparently unaware that the MoH could not legally accept the funds. Only the Ministry of Finance (MoF), or strictly speaking Treasury, was empowered to receive donor funds. This led to a contentious grant signing agreement process with the Global Fund in November 2002. There was ill-feeling about this in Tanzania where there was a widespread view that it had been misrepresented in the international press.
- MoH had signed the Round 1 malaria grant agreement. Now, without the active engagement of MoF, MoH was not in a strong position to quickly overcome subsequent obstacles to significant disbursement. Recent legislation or Government decisions had specified that large Government contracts had to be put through the Central Tender Board, which would cause delay; and that a tax of 20% was to be levied on most imported items and services, which could use up a significant and unacceptable amount of the Global Fund malaria grant.
- These were unanticipated obstacles, which the Fund could not have foreseen, which could result in the depreciation of malaria grant funds that were sitting in a T.Shilling account. The National Malaria Control Programme did not have the political leverage to overcome these obstacles. They had been discussed and minuted at CCM meetings and there had been high level discussions within the various ministries to overcome them.
- The decision to sign the Round 1 grant with the MoH, rather than with MoF, was probably intended to speed up the process of disbursement. Bypassing Government systems for receiving donor funds, which longstanding donors would have been aware of, may have had the opposite effect. Some respondents believed it had – at least temporarily – alienated the MoF. The episode suggests that international financial institutions and development agencies can bring contradictory policy pressures to bear on developing countries; health is only one among several government policy priorities; and MoF, as in developed countries, plays a dominant role in its dealings with other line ministries.

- As a result of the lessons learned from the Round 1 malaria grant experience, the MoF was selected as PR for subsequent grants. By March 2004, only one of the three sub-recipients for the round 1 HIV/AIDS grant had been approved, that being a NGO that would implement a programme with the informal sector. There were doubts about the ability of PORALG to oversee implementation of the district and education components, as it had little or no experience of HIV/AIDS control. The Global Fund process was revealing a systems capacity limitation, which would have faced any funding agency looking to support the mainstreaming of HIV/AIDS control across the different sectors.
- Capacity assessments of the proposed recipients of Round 3 HIV/TB funds had yet to be completed and it was unclear who would drive the approval process. CCM members and other senior staff had been increasingly caught up in negotiating new initiatives – Clinton Foundation, 3 by 5 and PEPFAR; and had spent several weeks on Round 4 proposal preparation.
- It appeared that proposal writing and the selection of principal recipients for the HIV/AIDS grants had not sufficiently taken into account the necessary capacity for implementation. Additionally, the challenge of implementing the Global Fund disbursement model – PR, sub-recipient and grant approval processes – within a government system that was slowly implementing major reforms, may have been under-estimated.

SYSTEMS FIT

- There were misgivings at country level about the setting up of additional, parallel planning and financial management systems, which ran counter to the development of the health SWAp and budget support. None of the GF funds were to be disbursed via the SWAp. Early concerns among ministry staff were around the amount of time and work involved. Perhaps, if money had arrived more quickly, this would have reduced reservations over the additional workload. Donors who had spent several years working towards a more co-ordinated system, with principles laid down in the Tanzania Assistance Strategy, felt that the Global Fund was rolling back a more harmonised approach to development assistance at the country level.
- During the 12 months that spanned the two phases of the field work – April 2003 to April 2004 – the evolution in global approaches to financing HIV/AIDS control had brought about some dramatic changes in the country policy and planning contexts. Initiatives being negotiated in parallel included the Global Fund, World Bank TMAP, Clinton Foundation and the US PEPFAR initiative. WHO had become involved in the planning process, as part of the 3x5 initiative. There did not appear to be sufficient lesson-learning across initiatives. Particularly relevant to the Global Fund would have been the experience of rolling out the World Bank TMAP, in that it also aimed to work in a multisectoral way and disburse funds to district government bodies and civil society at the community level.
- There were clearly efforts at country level to harmonise these initiatives, notably to try to get these new funds to support the National Care and Treatment Plan. Obstacles to harmonisation were that each initiative had its own *modus operandi*, country level players were in response mode, and appeared to be diverted by opportunities to apply for new funds, e.g. Global Fund Round 4, and by visiting missions.

- Delays to any one initiative, e.g. notably to TMAP and Global Fund in 2003-04, made planning across the different initiatives more complicated. The compound effect of planning for all these initiatives appeared to be delays in piloting and testing out what would be complex strategies, such as ART delivery.

IMPLEMENTATION

- In 2003 views on implementation challenges were largely speculative, based on respondents knowledge and experience of constraints at the district level: low absorption capacity, pressure on limited human resources, concerns that too much money would be spent on workshops or not spent well. In 2004, expectations that GHIs, including the WHO 3 by 5 initiative, were placing on Tanzania appeared to be excessive. How procurement for the Global Fund and other initiatives would be managed had not been worked out. Managing ART would be a huge challenge, ranging from procurement of ARVs, through controlling drug distribution, to delivering and monitoring treatment.

MOZAMBIQUE

EXECUTIVE SUMMARY

This report describes the establishment and early functioning of the Global Fund to Fight AIDS, TB and Malaria in Mozambique, based on field work in mid 2003 and early 2004. A researcher, often accompanied by a local collaborator, conducted 74 interviews with national level stakeholders; attended and observed several meetings, including the Joint Health Partners' Review in 2003, and reviewed secondary data.

Mozambique invested a great deal of energy in preparing and submitting proposals to the Global Fund in the two initial rounds and was successful in round 2 (December 2002), with a proposal covering the three diseases. Although time was short, there was lesson learning between the two rounds, and a different approach was taken in the second round with greater use of external consultants and technical teams. The CCM, formed towards the end of the first round proposal was initially perceived to work well, with representation of constituencies considered inclusive and participation good once initial language difficulties were overcome. Despite these early successes, concerns were emerging in 2004 about the degree of participation across constituencies, and the ability of the CCM to adapt to its new role in independently monitoring Principal Recipient (PR) activity, particularly as the two PRs were Chair and Vice-Chair of the CCM.

Mozambique decided to disburse monies through the planned but not yet functional sector-wide on-treasury basket fund, reassuring those donors who had concerns about parallel mechanisms. Initial success in applying for support was replaced by a long drawn out capacity assessment – attributed to the delays in development of the SWAp process, changes in staff at the GF and a change in LFA contract. Financial systems and other support mechanisms suffered from deeply entrenched problems which the SWAp was designed to help resolve. In the interim, concerns were raised about the feasibility of integrating NGOs as sub-recipients into the sector, especially regarding salaries, and the capacity of the MoH to contract (and manage) in the face of rapid and complex change. Harmonisation of constantly changing policies and strategies and delays presented particular challenges – not least frequent re-prioritisation of activities within the annual budget. By October 2004, only \$US 1m of GF monies had been disbursed to national level as part of the assessment of the new SWAp mechanism.

Views on the challenges to implementation were speculative, because of the delays to disbursement. Major challenges were anticipated to be around the lack of capacity in terms of skill and numbers. NGOs were the main implementers for care and treatment, yet had insufficient staff locally (without removing staff from other areas) or budget to recruit externally. Monitoring and evaluation was considered a particular challenge due to concerns around the appropriateness of indicators to measure performance given the fungibility of pooled resources. Furthermore, the complexities of ARV delivery on a large scale were seen as problematic: space was limited, laboratory support inadequate and the question of tax and tariff levies on reagents and supplies remained unresolved despite discussions.

The increasingly complex donor assistance and planning environment in 2003 and 2004 appeared to be contributing to delays in implementation. Government, with the assistance of their bilateral and multilateral agency partners, was negotiating or attempting to implement a range of different Global Health Initiatives for HIV/AIDS control: World Bank Multi-country AIDS Program (MAP), World Bank Treatment Acceleration Programme (TAP), Global Fund, Clinton Foundation and President's Emergency Plan for AIDS Relief (PEPFAR). Negotiating and attempting to co-ordinate planning for these initiatives within a developing SWAp environment was demanding and difficult, and although finance was welcomed, the negative effects of confusing and increased competition was seen as divisive in terms of relationships and jockeying of staff.

CONCLUSIONS

- Overall, there was clear support for some aspects of the Global Fund initiative in Mozambique. It had helped raise the profile of these three important diseases, might help address funding shortfalls, contributed to HIV/AIDS strategy development and would bring funds to resource programmes addressing the three diseases. However, respondents were clear and candid regarding their reservations – some of these which will have implications in implementation of the various activities supported by GF monies.
- The GF mechanisms are still relatively new: systems and processes had only been in place for some fifteen months when this study began in February 2003. The Initiative has developed at a rapid pace and continues to evolve with each round of applications. The rapid expansion and changes in adjustment demonstrate flexibility, but this flexibility is also translated to additional work at the country level.

APPLYING FOR GF SUPPORT

- Respondents across all constituencies in Mozambique felt that the first round was an extremely frenetic period, with those involved working extremely hard against a tight deadline and in the absence of very clear guidelines from the GF. The lack of time had given insufficient opportunity to work up the proposals in sufficient depth, and to discuss the implications of some of the proposals within and particularly between the different constituency groups.
- The combination of a lack of time and marginalisation of bilateral agency representatives resulted in heightened tension between some NGO representatives and those bilateral agency representatives supporting a more systems based approach in developing the SWAp. Some regarded this as cathartic in the longer term. Involvement of senior staff in the TWG and possession of associated information appeared not to give Mozambique any comparative advantage during the first round, indeed, there was surprise and disappointment at the result.
- Mozambique learned lessons from the first round when reapplying in the second round. In particular, deliberate changes were made to improve the management of the process, and heal the rift between NGOs and bilateral agencies, by utilising consultant input for process management as well as technical inputs. Use of technical groups for each of the diseases as well as a number of cross cutting groups looking at issues such as financing and human resources provided additional support to the process. The increased use of external consultants had a significant effect on transaction costs, and possibly a beneficial effect on opportunity costs as staff should in theory have been freed up for other activities, given the degree of external assistance. Mozambique has made a definitive decision not to apply for additional GF monies in the short to mid term, preferring to monitor progress of the second round proposal which was successful, before embarking on further applications.

COUNTRY COORDINATION MECHANISM (CCM)

- There was initial resentment of the need for a CCM in Mozambique, given the existence of the NAC and the donor/MoH partnership of the GT SWAp. However, a CCM of some 13 members was formed just prior to the Round 1 deadline. Those involved seemed initially keen to make the process work. Composition has remained stable since inception, and a large ‘core’ group of 17 was formed during the Round 2 proposal to support day-to-day activities. However, it emerged in the course of the work in 2004 that not all members of the CCM were

aware of the presence or the role of the core group. There was a perception that perhaps members of the core group were better informed than some members of the CCM, possibly due to more frequent communication with GF in Geneva and also because core group members met much more frequently than the CCM (which met on a quarterly basis).

- Representation of constituencies on the CCM was highly thought of, with some constituencies electing their representatives and/or rotating, although few of the seats actually rotated as planned. There was also use of umbrella bodies to facilitate improved representation, in particular INGOs who organised themselves into an umbrella body especially for the GF application. INGO representatives were specifically invited to GT SWAp meetings to help improve communication and understanding.
- Participation was initially viewed as good with most constituencies providing inputs at meetings. The initial issue around meetings being held in English, which had excluded some of the local NGOs from full participation, was resolved quite early on. The initial perception in the fieldwork was very much one of a positive group, whose members were keen to work together. By contrast, towards the end of the fieldwork this largely positive perception regarding participation had changed markedly amongst respondents who were quite critical of the purpose of the CCM and concerned about its degree of legitimacy within Mozambique.
- These concerns were coupled with increasing reservation around the ability of the CCM to be an independent monitor within Mozambique given that the Chair and Vice-Chair were Principal Recipients and senior figures in the MoH and the NAC. The combination of this with the uncertainty around the precise role of the CCM in the forthcoming months had probably contributed to some uncertainty around its effectiveness. Further, the use of the core group which met more frequently may have contributed to this perception.

ESTABLISHING GLOBAL FUND STRUCTURES AND PROCESSES IN MOZAMBIQUE

- Mozambique learned of the approved Round 2 proposal in December 2002. However, the Grant Agreement for two years agreed funding of \$51m was not signed until some 16 months later in April 2004. The processes to select PRs, sub-recipients and an LFA took much longer than anticipated. Discussions and lengthy negotiations around nomination of the Principal Recipients was complex and lengthy: finally the MoH was selected as PR for three components and the bulk of the GF grant monies (malaria, TB and HIV/AIDS treatment) and NAC for one (HIV/AIDS prevention).
- Changes were also made mid-assessment to the Local Fund Agent and the Country Portfolio Manager, which caused additional delays. Additionally, it had been decided to put the MoH GF grants via the Common Fund mechanism. The development and approval of this new mechanism was significantly delayed in 2004, which extended the elapsed time of assessment for GF disbursement still further.

ALIGNING GF PROCESSES WITH COUNTRY SYSTEMS

- Since the mid-1990's, Mozambique has been working towards developing mechanisms to improve donor coordination and funding flows. Financial mechanisms and support systems were inadequate and are part of an on-going effort to reform public sector provision. The health sector has developed a Common Fund pooling mechanism and some donors are moving towards general budget support to improve accountability.

- The decision to disburse GF monies through the Common Fund, as the Clinton Foundation had done, was popular with donors, and supported by Government officials but delays in operationalising the Common Fund held up assessment of initial GF monies – a cause of great frustration and constant re-planning and re-prioritisation.
- It has also proved more difficult than anticipated to harmonise all the policies and strategies in a dynamic policy environment. Keeping HIV strategies sufficiently up to date to incorporate global and national changes was not easy, and many were concerned about the short term effects on poverty reduction strategies as a result of an urban-curative focus for HIV/AIDS. The new strategies such as the IHNs, brought the need for new ways of working and have changed relationships, most particularly between the MoH and NGOs. Salary differentials and the capacity for contracting within the MoH were major problems.

IMPLEMENTATION

- Although implementation had not yet taken place, it was clear that the issue of capacity and resources to implement the GF proposal and respond to all the other initiatives was a concern. In particular, the lack of long term capacity building and the severe shortage of human resources was noted by respondents. There was already evidence that staff were being ‘poached’ from the public health sector creating competition and further weakening service provision, thus making the MoH less likely to be able to respond to the changes and initiatives currently underway. Opportunities to recruit and train additional staff as part of the GF proposal on TB were turned down by the TRP.
- There were concerns around the ability of the system to absorb funds sufficiently to support scaling up of ARV treatment: the laboratories were insufficient in number and quality to support ARV delivery. Storage space for ARVs was also limited, although it was being addressed. Issues of tax and tariff levies on commodities such as reagents and other laboratory supplies remained unresolved, with the potential for delays in stock flows and increased costs.
- There were also concerns around the introduction of a performance-based management environment. The sector’s attempts to rationalise data collection and use, particularly M&E indicators, were at risk of being undermined by the need to develop more monitoring tools associated with the new initiatives such as the GF. In the case of the GF, indicators were selected, even though Common Fund monies would be fungible and thus attribution not possible.

GLOBAL HEALTH INITIATIVES AND COUNTRY SYSTEMS

- During the course of fieldwork, the evolution in global approaches to financing HIV/AIDS control had brought about some dramatic changes in the country policy and planning contexts. Initiatives being negotiated in parallel included the Global Fund, World Bank MAP and TAP, Clinton Foundation and the US PEPFAR initiative. It was unclear if there was time for sufficient lesson-learning across initiatives.
- Whilst the promised levels of increased funding for HIV/AIDS were welcomed, the multiplicity of initiatives was also viewed as confusing and overly demanding. There were clearly efforts at country level to harmonise these initiatives, notably led by the Minister attempting to get country players to act within one framework. Obstacles to harmonisation were that each initiative had its own *modus operandi*, which was not necessarily appropriate for the context,

e.g. the WB MAP had required a number of revisions to adapt to local capacity. In addition, delays in the GF and WB MAP, made planning across the different initiatives more complicated. The compound effect of planning for all these initiatives appeared to be yet more delays and out of date plans.

- There was a strong sense of competition, particularly between departments in the MoH supported by different initiatives, and between individual NGOs (and their staff) to implement activities as planned. There was a perception that the work done to develop the SWAp was being undermined, in favour of initiatives for HIV/AIDS with uncertain sources of funding, and with all their associated changes in established relationships at country level.

ANNEX A

Glossary¹

Country Coordinating Mechanisms (CCMs): country-level partnerships that develop and submit grant proposals to the Global Fund; and then monitor and co-ordinate implementation, if proposals are funded. CCMs are intended to be multi-sectoral, involving broad representation from government agencies, NGOs, community and faith-based organizations, private sector institutions, individuals living with HIV, TB or malaria, and bilateral and multilateral agencies.

Technical Review Panel (TRP): an independent panel of disease-specific and cross-cutting health and development experts that review the technical merit of applications. The TRP provide the Board with one of four possible recommendations regarding reviewed applications: (1) that proposals be funded without condition, (2) approved conditionally, (3) resubmitted or (4) not approved.

Principal Recipient (PR): a local entity nominated by the CCM and confirmed by the Fund as legally responsible for programme results, monitoring and evaluation, and financial accountability in a recipient country. Once the Board approves a proposal, the Secretariat negotiates and signs a two-year grant agreement in which disbursement of funds to the PR is based on the achievement of measurable results, i.e. performance-based funding. There may be multiple public and/or private PRs in a country.

Local Fund Agent (LFA): an independent professional organisation, which is contracted by the Global Fund to assess the capacity of the Principal Recipient to assume financial and programmatic accountability, prior to signing a grant agreement. Subsequently the LFA provides independent oversight and verification of progress and financial accountability. To date, LFAs include Price WaterhouseCoopers, KPMG, United Nations Office for Project Services (UNOPS) and Crown Agents.

¹ Definitions of key Global Fund structures in this glossary are taken from Global Fund, Questions & Answers: <<http://www.globalfundatm.org>> and 'The Global Fund to Fight AIDS, Tuberculosis and Malaria. A Partnership to Prevent and Treat AIDS, Tuberculosis and Malaria, prepared May 12, 2003.