A conversation with Dr. Melanie Renshaw, August 6, 2019

Participants

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Note: These notes were compiled by GiveWell and give an overview of the major points made by Dr. Renshaw.

Summary

GiveWell spoke with Dr. Renshaw of ALMA about funding gaps for seasonal malaria chemoprevention (SMC) and long-lasting insecticide-treated nets (LLINs) in 2019 and 2020 as part of a GiveWell project to estimate country-specific funding gaps for SMC and LLINs.

The Global Fund's portfolio optimization process

The Global Fund to Fight AIDS, Tuberculosis, and Malaria (The Global Fund) allocates funding to country governments for treatment and prevention programs for HIV/AIDS, tuberculosis, and malaria every three years. If a country does not use as much funding during a three-year period as was originally allocated to it for a specific program (e.g., rapid diagnostic tests for malaria) it can re-program those resources towards a different program or disease. But if a country still has funds following reprogramming that remain unspent at the end of the grant period, those funds are returned to the Global Fund to be reallocated through "portfolio optimization." The Global Fund Secretariat, country teams, and disease-specific teams, working with partners, discuss the remaining prioritized above-allocation requests from across all Global Fund countries, examine major gaps in essential services, and decide how to prioritize additional funding allocations.

Portfolio optimization happens roughly every six months; exactly when portfolio optimization occurs depends on how much unspent funding ends up being returned, which is difficult to predict. In particular, it's very difficult to assess how much funding will be released for portfolio optimization until in-country reprogramming has happened.

Among malaria interventions, the Global Fund has prioritized SMC and LLIN campaigns for portfolio optimization funding. Some differences between the most recent gap analysis that GiveWell has seen for SMC and LLINs (from July 2019) and the previous gap analysis (from April 2018) are due to portfolio optimization, which has filled a significant number of previous gaps.

Portfolio optimization allocations

The Democratic Republic of the Congo (DRC) received $26 million for nets during the first round of portfolio optimization (sometime before July 2018) and also

received some nets from the Against Malaria Foundation. This helped fill essential gaps for 2020 but leaves major expected gaps in 2021. There are likely to be large net gaps in the DRC in 2021 in part because some campaigns that should have replaced nets (which are on a three-year replacement cycle) by 2020 have been delayed, meaning that those nets will still need to be replaced in 2021.

Afghanistan, Benin, Chad, Kenya, Mali, Niger, Pakistan, Somalia, and South Sudan also received funding to fill LLIN gaps.

In the second round of portfolio optimization:

- Burkina Faso received an additional $10 million for SMC**.**
- Gambia received funding to fill SMC gaps.
- Guinea-Bissau received some additional funding (and reprogrammed some resources in-country).
- Nigeria received $15.4 million, and also reprogrammed a fairly substantial amount, which significantly reduced its gap for SMC the 2019-2020 period. The gap had previously been almost 50%.

While SMC gaps have been significantly reduced by portfolio optimization funding and country reprogramming, it is highly unlikely that the funding gap for SMC will become smaller than GiveWell's anticipated funding allocation to SMC at the end of 2019.

Expectations for the next Global Fund funding cycle

The Global Fund has said that it hopes to receive $14 billion in funding from donors for its next round of disbursements. Whether it hits this target will depend largely on how much funding the US ends up contributing, which should be decided by October.

The amount of funding available for nets during the next three-year Global Fund funding cycle (2021-2023) will largely depend on whether the Global Fund reaches its $14 billion replenishment target; if it does, funding for malaria programs will likely be renewed at roughly the current level. The allocation formula has changed slightly (based on major population shifts between 2000 and 2017), but Dr. Renshaw does not expect this to lead to any major changes in country allocations for malaria. There may be a slight shift in some higher-burden countries.

The Global Fund's replenishment ask is higher than it was for the previous funding round. However, there will likely be little carryover of funding between rounds, since, as resources have become available, they have largely been reprogrammed through portfolio optimization (whereas last time, over $1.5 billion was carried over.)

Country allocations and "essential services"

The allocation that countries receive is based in part on a determination of how much funding is needed to sustain "essential services"; that level of funding is

treated as a baseline below which countries' Global Fund allocations are not allowed to fall. The biggest driver of the allocation remains the malaria burden.

Funding that countries receive through portfolio optimization is not counted as supporting essential services. Consequently, while about $230 million has been allocated to malaria through portfolio optimization during this funding period (nearly all of which has been used to fund LLINs and SMC), that funding will not be automatically renewed next round. That means that a gap of at least $230 million (which may increase to about $350 million by the end of this allocation period) for LLINs and SMC is likely to remain after this period.

Likely funding for nets during the next funding cycle

Assuming that funding allocations end up roughly the same, Dr. Renshaw expects countries to prioritize nets in roughly the same way as last round. One potential difference between this round and the last is that some countries might choose to buy piperonyl butoxide (PBO) nets, rather than conventional LLINs. However, because WHO recommendations stipulate that countries must be able to cover their entire at-risk populations with conventional nets before choosing to buy PBO nets, countries will likely request the same total number of nets (only upgrading to PBO nets if they have additional resources).

It's possible that some countries might end up allocating more of their available Global Fund malaria funding to nets, relative to other malaria programs, because they choose to purchase the more-expensive PBO nets. Some countries likely will not choose to buy PBO nets because they also need to maintain other essential services, e.g. SMC, public sector artemisinin-based combination therapy (ACT), or integrated community case management (iCCM).

Pending grants from development banks

ALMA and the RBM Partnership to End Malaria have been working to support Nigeria on finalizing $350 million total in grants from the World Bank, the African Development Bank, and the Islamic Development Bank to help fill net gaps in Nigeria's thirteen "orphan states" (i.e. states which don't receive funding from the Global Fund or the President's Malaria Initiative). Those grants would fill the gap in those states for three years, which would significantly reduce the overall gap in Nigeria. ALMA had initially hoped these would come through in 2019, since many nets in those states are overdue for replacement; it now seems likely that the grants will start in 2020. ALMA expects to know by the end of the year whether these grants will be made.