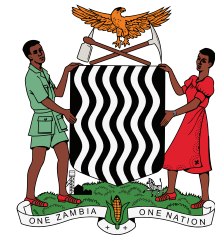


STRENGTHENING NATIONAL CAPACITY TO FIGHT AIDS, TB AND MALARIA



*Empowered lives.
Resilient nations.*

A CASE STUDY ON THE
PARTNERSHIP BETWEEN UNDP,
THE GLOBAL FUND AND THE
MINISTRY OF HEALTH IN ZAMBIA



STRENGTHENING NATIONAL CAPACITY TO FIGHT AIDS, TB AND MALARIA:

**A CASE STUDY ON THE PARTNERSHIP BETWEEN UNDP,
THE GLOBAL FUND AND THE MINISTRY OF HEALTH IN ZAMBIA**

TABLE OF CONTENTS

EXECUTIVE SUMMARY	5
1 INTRODUCTION	6
2 ABOUT ZAMBIA AND THE THREE DISEASES	7
The health system	7
HIV/AIDS	8
Tuberculosis	9
Malaria	9
3 FINANCING THE FIGHT IN ZAMBIA	11
National contributions	11
Global Fund support for Zambia	11
Other donors	12
4 THE ROLE OF UNDP IN ZAMBIA	12
Grant management	12
Strengthening national capacity	14
5 THE CAPACITY DEVELOPMENT AND TRANSITION PLAN	15
Background	15
Overview of the capacity development plan	16
6 ACHIEVEMENTS OF THE CAPACITY-BUILDING EFFORT	18
Programme management and oversight	18
Financial management systems	20
Procurement and supply management	21
Monitoring and evaluation	23
7 TOWARDS TRANSITION	25
Assessing progress in capacity development	25
Ingredients for success	26
KEY RESOURCES	27

EXECUTIVE SUMMARY

Over the last decade, Zambia has made remarkable progress in the response to HIV, TB and malaria, with the support of the Global Fund to Fight AIDS, Tuberculosis and Malaria and other major donors. The country has strengthened its health systems and access to care and treatment has been provided to many Zambians. By the end of 2013, more than 580,000 people, of which 49,419 are children had access to antiretroviral therapy (ART), with the result that HIV incidence has fallen 25 per cent and AIDS deaths have fallen by more than half. Zambia has achieved universal coverage of TB-DOTS and the MDG target of halting and beginning to reverse the TB epidemic by 2015. The TB case detection rate is above 80 per cent and nearly 90 per cent of the 30,000 TB cases in Zambia in 2012 were successfully treated. Access to malaria prevention and treatment is expanding, and an ambitious mass distribution of bed nets is underway nationwide in 2014.

The country's progress is all the more remarkable for having been achieved in the face of chronic capacity constraints, in health infrastructure, governance, financial management, procurement and monitoring and evaluation. This case study examines the response to the three diseases in Zambia from the time the United Nations Development Programme (UNDP) assumed the role of interim Principal Recipient (PR) of Global Fund grants in 2010, and focuses on the major effort undertaken over two years to strengthen national capacity in key functional areas so that the Zambian Ministry of Health may eventually reassume the PR role, subject to an assessment and decision by the Global Fund on the transition of the PR role. The key findings of the case study include:

- UNDP has played an important role in ensuring continuity of the funding and commodities for the national HIV, TB and malaria programmes in Zambia, raising additional resources and managing Global Fund grants effectively;
- At the same time as managing Global Fund grants, from 2011 to 2013 UNDP rolled out an ambitious and well-formulated capacity development and transition plan focused on strengthening the Ministry of Health and other national institutions, made possible by alignment with grant cycles, flexibility and reprogramming;
- Key achievements of the capacity development effort include:
 - The establishment of a skilled Programme Management Unit in the Ministry of Health to more effectively manage and coordinate donor resources;
 - Major upgrades of the National Health Information System;
 - Development and implementation of standard operating procedures for financial management and procurement of health commodities;
 - Implementation of a new technological platform for improved financial management in the health sector;
 - Significant investments in training at national, provincial and district levels; and
 - Strengthening of the Country Coordination Mechanism (CCM).
- Ingredients for success in the rollout of the capacity development and transition plan include:
 - Strong national political commitment, and high-level support from the Global Fund, UNDP and other partners;
 - Close and effective collaboration involving UNDP and the Ministry of Health (MoH) working as a joint team, including the embedding of UNDP staff in the Ministry;
 - Reprogramming and negotiated reallocation of resources for the plan from existing Global Fund grants;
 - The plan complemented other efforts to strengthen government systems including the MoH / donor *Governance and Management Capacity Strengthening Plan (2011)*. The capacity development plan was firmly grounded in strengthening national institutions and systems, rather than creating parallel systems.
- The capacity development process has contributed to the Ministry of Health of Zambia becoming increasingly well positioned to reassume the role of PR of Global Fund grants under the Global Fund's new funding model, subject to an assessment and decision by the Global Fund;
- Drawing upon the lessons in Zambia, other countries should consider including capacity development activities in funding applications to the Global Fund under the new funding model;
- The ongoing investment in strengthening the national entities, systems and human resources increases the longer term sustainability and will help ensure services and essential medicines continue to be provided to vulnerable groups in the future. A priority area is the new responsibilities between the MoH and the Ministry of Community Development and Mother Child Health (MCDMCH).

The above findings are aligned to the vision of the UNDP Strategic Plan 2014-2017 of supporting countries to eradicate poverty and simultaneously reduce inequalities and exclusion, which resonates strongly with what is needed to effectively address HIV, TB and malaria.

1 INTRODUCTION

Zambia has among the highest burdens of HIV and TB in the world, and, together with malaria - which is endemic in all 10 provinces of the country – these diseases are major causes of morbidity and mortality in the country. Over the last decade, the government has shown strong commitment to tackling these major public health challenges by progressively increasing its own financial commitments and mobilizing major resources from international partners.

As a result of this effort, the country has made some remarkable achievements. By the end of 2013, more than 580,000 people of which 49,419 are children had access to antiretroviral therapy (ART). TB diagnosis and treatment success rates are high. Access to effective malaria treatment has expanded and the country is now embarking on one of the largest programs for the mass distribution of bed nets in the world.

Since it was established in 2003, the Global Fund to Fight AIDS, TB and Malaria has been a core contributor to the Zambian response to the three diseases. Over the last four years, the United Nations Development Programme (UNDP) has served as interim Principal Recipient (PR) of most Global Fund resources in the country, while at the same time embarking on an ambitious program to strengthen capacity of the Ministry of Health so that it can be nominated for the PR role, which will then be followed by a Global Fund assessment and decision. This is aligned to the UNDP Strategic Plan which supports countries to eradicate poverty, reduce inequalities and exclusion, to create the conditions to effectively address HIV, TB and Malaria. This case study describes the successes and some of the challenges encountered in this partnership; a partnership that is critical, not only for the health and wellbeing of Zambians, but also for making progress against these global epidemics.

“It’s been a long journey. When the Global Fund first came to Zambia, it was a huge relief. Certain parts of hospitals were then known as “departure wards”. It’s a remarkable achievement through the Global Fund. At the same time, in these nine years, it’s also been a huge challenge to meet expectations.”

– Civil society representative¹

“UNDP has played an important role in ensuring continuity of the funding and commodities for the national HIV, TB and malaria programmes in Zambia. UNDP has played an important role in the capacity development of the Ministry of Health through the establishment and support to the Programme Management Unit. It is exciting to see the Ministry of Health nominated as a Principal Recipient under the Global Fund’s New Funding Model.”

– PEPFAR Coordination Office

¹ This report was informed by interviews undertaken in Zambia in February 2014, with the MoH, the NMC Program, MSL, UNDP, UN partners, CSOs and GF comments. Selected, illustrative quotes appear in the text.

2 ABOUT ZAMBIA AND THE THREE DISEASES

Zambia's economy experienced strong GDP growth of more than 6 per cent from 2005 to 2013, enabling the country to quickly rebound from the world economic crisis in 2008. Nevertheless, more than half the population of 13 million people still lives below the extreme poverty line of \$1 per day. With a population growth rate of 2.8 per cent, the country has the fourth highest birth rate in the world, and high rates of maternal and infant mortality. Around half the population is under the age of 15 years, and 60 per cent live in rural areas. Life expectancy at birth is around 50 years of age. In 2011, Zambia moved up from low-income to lower middle-income country status, prompting a number of donors to withdraw or review their presence in the country and continuing an overall decline in ODA support from around 40 per cent of national budget in the 1990s to 4.5 per cent in 2012.

The health system

Zambia's health system operates with central oversight from the Ministry of Health and comprises six tertiary facilities, 81 first-level hospitals, 24 second-level hospitals, 409 urban health centres, 1,131 rural health centres and 307 health posts. Faith based organizations and the private sector deliver around 20 per cent of the country's health services. In 2012, a new Ministry of Community Development and Mother Child Health (MCDMCH) was established to assume responsibility for primary health care delivery

and strengthen community-based health services. The Ministry of Health retains responsibility for secondary and tertiary care and for overall health policy. A practical consequence of these arrangements is that MCDMCH is responsible for the delivery of most TB services, as well as HIV services at the health centre level, while the Ministry of Health delivers all health services, including for the three diseases, at the secondary and tertiary levels. This change in responsibilities between the MoH and the MCDMCH will require a further clarification of roles and responsibilities as well as systems strengthening.

Zambia is fighting HIV, TB and malaria in the context of a significantly overburdened health system, including severe shortages in the number of available health workers. The country currently has only around 40 per cent of the workforce required to deliver basic health services, among the lowest in southern Africa. These shortages are most acute in rural areas, and result in overcrowding and long waiting times in many health facilities. Other challenges faced by the country include the need to strengthen data collection and management systems, financial management capacity, procurement systems for health commodities and referral systems.

“I used to get up at 2am to get a place in the queue at the clinic. *Those days are gone, thank goodness, but we can still wait three hours to get drugs, or half a day to see the doctor, have blood tests and do adherence counselling. There's still not enough staff in the clinic to manage.”*

– Patient at district health centre

HIV/AIDS

More than 1 million people in the country are currently living with HIV. Despite its health systems constraints, Zambia has made extraordinary progress in scaling up access to antiretroviral treatment (ART) to 580,000 people at the end of 2013. More than 90,000 people initiated ART in 2012 alone, and ART is now being provided in around 540 health facilities. The number of children younger than 15 years who are receiving treatment increased from 18,000 in 2008 to 34,000 in 2012, but this represents only a third of those eligible and in need.

In the last three years, dramatic progress has been made in scaling up prevention of mother-to-child HIV transmission (PMTCT), with around 90 per cent of HIV-positive pregnant women receiving ARVs for PMTCT in 2013. There have also been major recent increases in the number of people accessing testing and counselling, while the cumulative number of HIV-negative men to receive voluntary male medical circumcision (VMMC) rose from 84,000 in 2011 to more than 230,000 in 2013, with a target of more than 800,000 by 2016.

As a result of this impressive scale-up, HIV incidence has fallen 25 per cent in the last decade, but prevalence remains stubbornly high, at around 13 per cent of the population, in part due to the success of ART. Around 30,000 people died from AIDS in 2013, down from 70,000 in 2005. Maternal HIV transmission fell from 24 per cent in 2009 to 12 per cent in 2012.

Under the umbrella of the National AIDS Strategic Framework 2011-15, Zambia is pursuing ambitious goals to implement universal HIV testing, provide ART to nearly 750,000 people - including all pregnant women and all those with CD4 counts of 500 cells/mm³ or lower - and reduce the number of annual infections from 82,000 in 2009 to 40,000. Implementation challenges for the national response include achieving better synergies between interventions, extending the benefits of treatment as prevention, expanding infant diagnosis and treatment, and addressing the needs of adolescents and key populations. Strengthened national coordination of the response through the National AIDS Council - including stronger civil society participation - is also needed.

“There has been increased adherence to ART *through training of*

health care workers and adherence supporters. Acceptability of VMMC is increasing, helped by the awareness and involvement of traditional and community leaders.”

“The investment framework is bringing us to focus on ART, PMTCT, VCT and VMMC that are mainly based around health facilities. The clinical side of things is being rolled out, but we need to do more on demand creation and behaviour change, youth and adolescents, serodiscordant couples, people with multiple partners.”

“We need more integration of ART in general care and MCH sites, and to increase the number of mothers giving birth in a health facility.”

“With treatment initiation at CD4 up to 500 and ART scale up, sustainability is going to be a challenge. Overall, we still need to strengthen program management, human resources for health, adherence, pharmacovigilance and resistance monitoring.”

- UNDP programme officer

“A lot of people have opened up about living with HIV, but stigma is still very high, especially in urban areas and among the middle class.”

- CCM Member



Ministry of Health, UNDP and Global Fund Partnership providing services to vulnerable groups

Tuberculosis

TB is a major public health problem in Zambia, closely linked to the HIV epidemic: 70 per cent of people with TB are also HIV-positive, and TB is the leading cause of death among people with HIV. However, steady progress has been made and Zambia has already achieved both universal coverage of TB-Direct Observation Therapy Strategy (TB-DOTS) and the MDG target of halting and beginning to reverse the TB epidemic by 2015. TB incidence fell from 617 cases per 100,000 population in 2003 to 444 in 2012. The case detection rate is above 80 per cent and nearly 90 per cent of the 40,000 TB cases in Zambia in 2012 were successfully treated. However, only 41 per cent of HIV-positive TB cases received treatment for both TB and HIV in 2013, short of the target of 60 per cent set out in the National TB Control Plan 2011-15. Current challenges for the TB program include further strengthening TB case detection, especially at the community level, and closer integration of TB and HIV services, so that more TB patients with HIV are enrolled on ART.

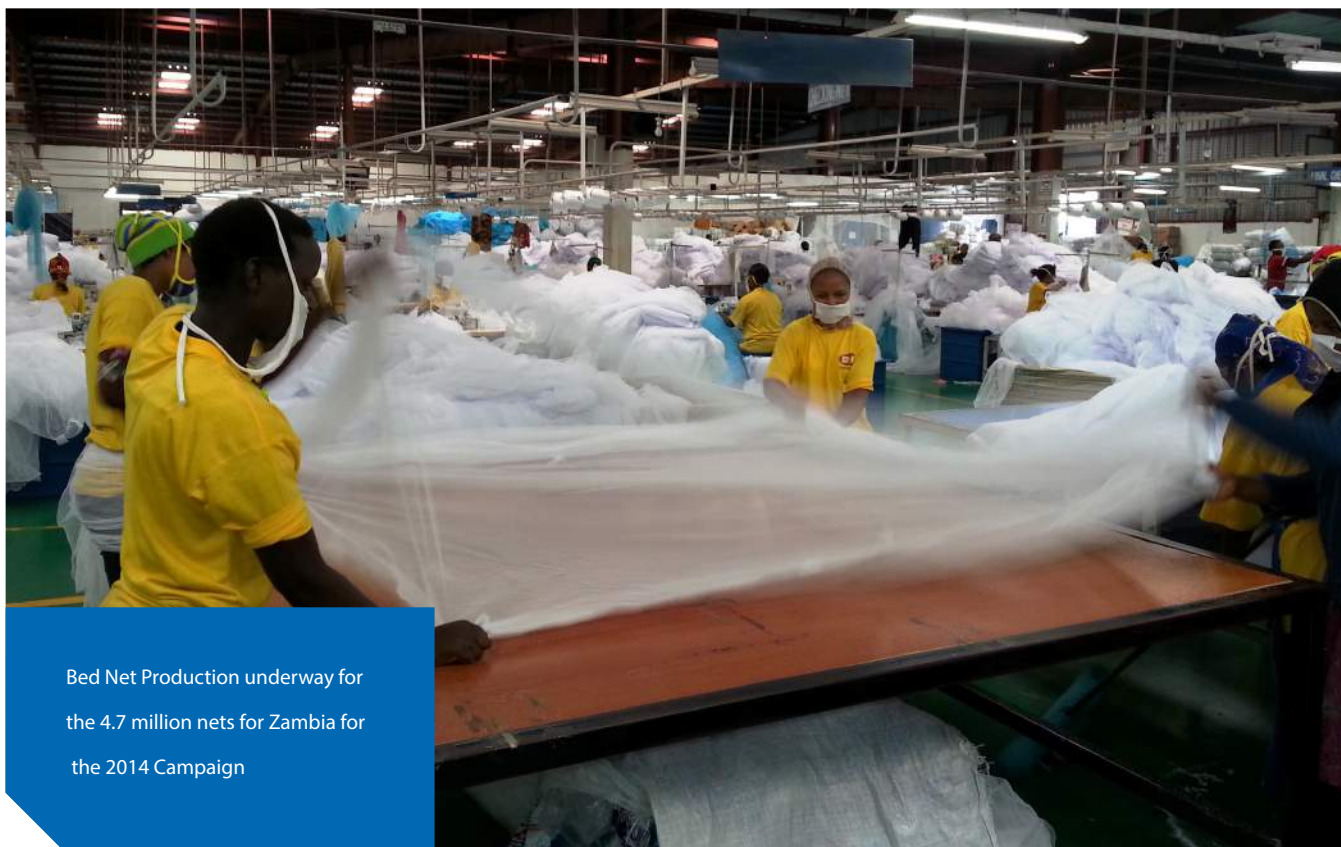
Malaria

Zambia has also made great strides against malaria: there has been a national trend in decreasing burden since 2006 and some areas of the country are close to being declared malaria free. However, malaria still affects around 4 million people annually, and the disease

“We’re doing better, but we’re still losing patients between TB and HIV clinics”.

– MoH PMU staff member

kills more children under five years of age than any other illness, while also accounting for around 20 per cent of maternal deaths. Significant gains achieved in reducing malaria rates between 2006 and 2010 have slowed in the last few years as a result of uneven coverage of interventions and procurement challenges. Nevertheless, in 2012, around 70 per cent of Zambians owned a bed net and half were using it, with higher usage rates reported in some of the most malarious provinces. However, the need for nets continues to exceed supply. In 2012, nearly 90 per cent of mothers reported taking an antimalarial drug during their last pregnancy, and a quarter of households in the country reported having had indoor residual spraying. In the last five years, new rapid diagnostic tests and more effective Artemisinin-based Combination (ACT) drugs have become more widely available through funding provided by the Global Fund, the US and UK governments and other sources.



Bed Net Production underway for the 4.7 million nets for Zambia for the 2014 Campaign

“In malaria, the challenges are logistics, ensuring consistent use of nets, and training community health workers. These things, and the unpredictable climate, mean that malaria responses are often fragile. So we need to be constantly vigilant.”

– National malaria program staff member

Through these interventions, overall malaria parasite prevalence and severe anaemia rates fell from 22 per cent to 15 per cent, and from 14 per cent to 9 per cent respectively, between 2006

and 2012. The response to malaria has been a major factor in the decline in under-five mortality from 168 to 67 deaths per thousand births in the last decade. The National Malaria Strategic Plan 2011-15 aims to reduce malaria incidence by 75 per cent, reduce malaria deaths to near zero and reduce all-cause child mortality by 20 per cent. Such reductions could occur by sustaining the gains made to date and expanding coverage of prevention and control interventions for pregnant women and children under five years to 85 per cent, a target that is now being pursued aggressively, including through a major national effort to distribute nearly 6 million bed nets across the country in 2014.

In addition, in 2013 Zambia and Zimbabwe launched the *Zam-Zim Cross Border Initiative* aimed at eliminating malaria transmission in the border zones. The vision of this initiative is to have a malaria-free Trans-Zambezi community with social and economic prosperity by 2020. The joint initiative fostered better collaboration in harmonizing efforts to accelerate the elimination of malaria transmission among the bordering communities.



UNDP's Global Good Will Ambassador, His Royal Highness Haakon, Crown Prince of Norway along with the first Lady of Zambia donating Insecticide Treated Bed Nets to the Patients in Chongwe Hospital, Lusaka

3 FINANCING THE FIGHT IN ZAMBIA

National contributions

The government of Zambia contributes around 60 per cent of the national health budget, and the nominal proportion of the total national budget allocated to health has steadily increased from 10 per cent in 2010 to 12 per cent in 2013, approaching the Abuja target of 15 per cent. The government largely funds the national TB response - with additional support from the Global Fund and other partners - and has significantly increased its contributions to the HIV response, from \$13 million in 2010 to \$40 million in 2013, with up to \$60 million expected in 2016. International donors largely support the malaria response. Continuing external support is critical for Zambia to effectively fight and control HIV, TB, malaria and to address other national health priorities.

"Zambia cannot fully fund its health needs. It's just a fact that external resources will be needed into the future. If the partners withdrew, it just wouldn't be possible to do what we are doing."

– Civil society representative

Global Fund support for Zambia

The cumulative value of Global Fund commitments to Zambia since the first grant in 2003 is now more than \$800 million (Table 1). Grants have been made in Rounds 1 (three diseases), Round 4 (HIV and malaria), Round 7 (TB and malaria), Round 8 (HIV) and Round 10 (HIV).

Table 1: Global Fund support to Zambia 2003-2013

	Committed	Disbursed
HIV/AIDS	\$644 million	\$567 million
TB	\$49 million	\$47 million
Malaria	\$119 million	\$119 million
Total	\$812 million	\$733 million

Active Global Fund grants are for Round 7 TB and malaria, extended through to 2015 under the Transitional Funding Mechanism, and for HIV in the form of a single stream of funding (SSF) that consolidates Phase 2 of grants made in Rounds 8 and 10. The HIV SSF runs from November 2013 to August 2016.

Global Fund HIV resources are strongly focused on further scale-up of high impact interventions: HIV testing and counselling, ART, PMTCT, male medical circumcision, blood safety, and health systems strengthening and capacity development, including extensive supply chain management and training of health workers. The Global Fund has been financing the procurement of around 70 per cent of adult ART and nearly all the paediatric ART in Zambia. The focus of current Global TB funding is to support procurement of first- and second-line TB drugs, as well as operational costs for supply chain management, improved monitoring and evaluation capacity of the National TB Program and improved TB diagnosis through procurement of laboratory equipment, reagents and other supplies, and external quality assurance of the national laboratory system. For malaria, the Global Fund has been the predominant source of funding for expanding access to ACTs, and has been supporting around 20 per cent of bed net procurement in Zambia. Highlights of the Zambia's achievements to date with support from the Global Fund and other partners are shown below.

Since 2004, domestic resources and support from the Global Fund and other donors have enabled Zambia to provide:

Antiretroviral treatment to **580,000** people

HIV testing and counselling to nearly **8 million** people

Nearly **30 million** condoms across the country

Voluntary male medical circumcision to **567,000** HIV-negative men

Treatment to the **40,000** TB cases notified in 2013

Treatment for more than **14 million** cases of malaria

Substantial efforts have also been undertaken in health systems strengthening and capacity building, including clinical infrastructure, diagnostic equipment, procurement systems for health commodities, monitoring and evaluation, and financial management.

Under its new funding model being implemented in 2014, the Global Fund made an allocation to Zambia of \$184.2 million in new resources for the three diseases, accessible through a Global Fund concept note that is being prepared by the country in mid-2014. As a low-middle income country, the government of Zambia is required to make a co-contribution of at least 20 percent to disease programs supported by the Global Fund.

Other donors

The US government is the major donor to Zambia's malaria program and is providing more than \$300 million per year for HIV, focusing on high impact interventions. Other major cooperating partners in health in Zambia include several UNAIDS cosponsors, the UK government, the Bill and Melinda Gates Foundation and the Clinton Health Access Initiative.

4 THE ROLE OF UNDP IN ZAMBIA

Grant management

Prior to 2010, Global Fund grants in Zambia were managed by a number of Principal Recipients, including the Central Board of Health, the Ministries of Health and Finance, the Zambian National AIDS Network and the Churches Health Association of Zambia (CHAZ). In 2010, after a series of audits by the Global Fund and other donors identified the need for significant strengthening of national systems, including procurement and financial management, the Zambia CCM appointed UNDP as interim PR of the major Global Fund grants in the country (Table 2). CHAZ has remained as an additional PR for some elements of these grants, with a focus on orphans, vulnerable children, and civil society.

On becoming interim Principal Recipient, UNDP established a dedicated Program Management Unit (UNDP-PMU) for Global Fund grants, and a team of 25 local and international UNDP staff was recruited to support all aspects of grant management, including financial management, procurement, monitoring, evaluation and reporting to the Global Fund in addition to the task of strengthening MoH capacity to resume the PR role for the future Global Fund grants. Staff members with expertise in technical aspects of HIV, TB and malaria programming have added particular value to the UNDP team and to the Ministry of Health. UNDP also engaged staff

with particular responsibility for all aspects of quality assurance, providing oversight of financial transactions, training programs, procurement, drug quality and asset management and maintenance. UNDP arrangements also included a quarterly review of programme progress by the UNDP Country Director and Permanent Secretary of the MoH in the form of a Global Fund Project Steering Committee that substantially contributed to deepening the partnership and collaboration.

According to the Global Fund Price and Quality Reporting Mechanism, UNDP's long-term agreements with the UNICEF Supply Division have enabled the procurement of ARVs, ACTs, bed nets and other health commodities at favourable prices. As interim PR,

"The engagement of UNDP senior management was important. There was strong UNDP internal support at HQ and from the Resident Representative and the Country Director".

– UNDP PMU Director

Table 2: Status of Global Fund grants managed by UNDP in Zambia at December 2013

Grant	Period	Approved budget	Amount disbursed	Most recent grant rating
Round 7 TB	11/2011-06/2015	\$16.2 million	\$12.9 million (80%)	B1
Round 7 Malaria	12/2011-06/2015	\$37.3 million	\$35.5 million (95%)	A2
Round 8 HIV	09/2011-10/2013	\$66.4 million	\$65.5 million (99%)	A1
Round 10 HIV	09/2011-10/2013	\$76.2 million	\$76 million (99%)	B1
HIV SSF	11/2013-08/2016	\$156.5 million	\$78.6 million (50%)	N/A

UNDP is able to draw on technical support available from its country office, regional offices and dedicated staff in Geneva and New York, reflecting the high-level corporate support for the work of the UNDP-PMU in Zambia. UNDP's work in Zambia is also informed by its experience as PR for Global Fund grants in more than 40 other countries.

Overall, the grants managed by UNDP have received positive performance ratings from the Global Fund (Table 2). Challenges encountered in meeting training targets between 2010 and 2012 - when the Global Fund imposed temporary restrictions on payments to the MoH, and for training activities - were a major factor in lower ratings achieved during this period. Disbursement rates for the grants overall have improved, reflecting efficient financial management and generally good absorption capacity for new funding in the country.

In addition to acting as interim PR, UNDP has played a key role in supporting Zambia's resource mobilization efforts through the Global Fund. UNDP support for the extension of Round 7 TB and Malaria grants and for renewing and consolidating Round 8 and 10 HIV grants into a single funding stream have helped Zambia to raise an additional \$380 million since 2010, and to reprogram funding and reallocate budgets to better support high-impact interventions and emerging priorities, such as the elimination of mother-to-child HIV transmission. In 2014, UNDP will support the development of Zambia's concept note application under the Global Fund's new funding model. These efforts are assisted by UNDP's corporate expertise in contracting and grant negotiation, undertaken in close collaboration with the Global Fund Country Team.

*"Without UNDP, we probably would have seen disruptions in programming. At a challenging time, they **helped to maintain the flow** of drugs and the flow of funds".*

– MoH PMU staff member

"Before UNDP came in, disbursements could be delayed due to lack of information in reports or not meeting conditions. At the time of grant signing, UNDP brought in an agreed turnaround time for responding to Global Fund requests. The time between requests and payments has improved."

– UNDP PMU staff member

*"The Global Fund scrutinized everything in the early stages with UNDP. Now there is a relationship of **trust!**"*

– UNDP PMU staff member



Laboratory in Paediatric Centre,
University Teaching Hospital,
Lusaka supported by partners

“The support offered by UNDP is quite unique. It includes expertise from HQ and the country office on things like legal advice during grant negotiation. As a result, the number of conditions tied to disbursements and the use of Global Fund resources in Zambia are reduced every time we sign a new grant agreement.”

– UNDP PMU staff member

The UNDP Country Office in Zambia also provides significant support to the national HIV response in its role as UNAIDS cosponsor responsible for addressing issues of human rights, law, gender and key populations. This work includes recent initiatives such as a National Dialogue on HIV and the Law; identifying and supporting “HIV champions” among parliamentarians, law enforcement and the judiciary; the establishment of a technical working group of the National AIDS Council on key populations; working with the police to address gender-based violence, and the development of draft legislation to promote access to cheaper medicines under the Trade Related Aspects of Intellectual Property (TRIPS) agreement. UNDP is the lead UNAIDS cosponsor in the country advocating for increased domestic investments in HIV, and has recently collaborated closely with other UN partners on the mid-term review of national strategic plans for the three diseases. This type of technical and policy support contributes to improving the performance and impact Global Fund grants and strengthens national responses.

*“In the early days, the Global Fund also had few processes, and so it has been a **joint learning process** in Zambia. Now we are all being more systematic.”*

– CCM member

Before we [the Ministry of Health] become a good Principal Recipient, we are becoming a good sub-recipient”.

– MoH PMU staff member

*“We [UNDP and the MoH] have had to team up, and **this has speeded grant implementation.** We do joint site visits to assess implementation, and joint work plans.”*

– UNDP PMU staff member

Strengthening national capacity

The management of current Global Fund grants has been undertaken in close collaboration with the major sub-recipient, the Ministry of Health, as well as Medical Stores Limited (MSL), the agency responsible for nationwide distribution of health commodities, including medicines.

UNDP’s national capacity strengthening approach included a focus on innovation, partnership building and resource mobilization, as these are critical for sustaining and advancing capacity development efforts and achievements. The process involved significant consultation and the promotion of effective collaboration and partnership among relevant stakeholders to ensure coordination and avoid duplication.

As interim PR, UNDP’s ultimate goal is to transition out of the PR role and for national entities to resume management of Global Fund and other international resources. Because the effective functioning of national institutions is critical to the future of health care in Zambia, the partnership between them and UNDP in grant management has been closely linked to a concerted effort, led by UNDP, to build national capacity in key functional areas. The origins, elements and outcomes of this capacity development work are described in Section 5.

5 THE CAPACITY DEVELOPMENT AND TRANSITION PLAN

Background

"You're introducing a financial shock with major new resources, and sometimes it takes a while for the capacity of the country to adapt"

– Civil society representative

"A good thing coming from all the audits was that this also influenced other ministries to address outstanding issues on financial accountability, right across government."

– MoH PMU staff member

A series of audits and capacity assessments undertaken by the Global Fund, other donors, the Local Fund Agent and UNDP in 2010 identified a number of significant gaps in national capacity to optimally manage Global Fund and other external resources. In response, to strengthen government systems the MoH and health sector donors prepared *The Governance and Management Capacity Strengthening Plan (2011)* which helped provide a framework for capacity development actions. Capacity gaps specifically related to the management of Global Fund grants included:

- The need for a new management structure for Global Fund operations at the Ministry of Health - including clear lines of responsibility and accountability - to consolidate management procedures that were previously dissipated within the Ministry;
- The need for enhanced internal and external audit systems, and for financial management procedures, systems and reports to ensure that funds are disbursed according to work plans and budgets, accounted for appropriately and transparently, and linked to performance;
- The need to strengthen national procurement capacity, including through development of effective procurement and supply

plans, and addressing fragmentation of the supply chain and human resource constraints;

- The need for strengthening data collection, transmission and analysis (monitoring and evaluation systems) to better inform programming and reporting to the Global Fund;
- The need to ensure that staff with responsibility for financial management, logistics and data collection at the provincial and district levels are adequately trained;
- The need to strengthen programmatic, technical expertise on HIV, TB and malaria within the MoH;
- The need for appropriate processes to assess and select grant sub-recipients, and to monitor sub-recipient performance and accountability;
- The need for improved systems and accountability for payments made to people attending training activities, and for improved coordination of trainings, and
- The need to strengthen the capacity of the CCM, especially in grant oversight.

*"Governments have a choice. In cases where you are struggling, organizations like the UN exist to provide assistance. Governments have to be quick to recognize the need for support, and the UN needs to be in a position to offer them **clear support**. That was the case with regard to the Global Fund grants in Zambia."*

– MoH procurement official

*"We recognized the need for someone to come in and **help address the weaknesses**, and it was important to avoid any programming gap."*

– MoH PMU staff member

After these capacity gaps were identified and UNDP was designated as interim PR in December 2010, the Global Fund included a condition in its grants to Zambia that the disbursement of funds to finance capacity development activities should be based on a clearly-articulated capacity development plan. Accordingly, by February 2011, UNDP and the MoH had jointly developed the *Capacity Development and Transition Plan for the Ministry of Health of the Republic of Zambia* which was aligned to *The Governance and Management Capacity Strengthening Plan (2011)*.

The *Capacity Development and Transition Plan* contained a series of capacity development actions and results to strengthen the national systems, to improve grant performance and help prepare for the transitioning of the Global Fund PR Role to the MoH subject to meeting the Global Fund requirements, with inputs from other cooperating partners in the country. This high-level plan was supplemented by an implementation plan, the *Capacity Development and Transition Action Plan 2012-2014*, which sets out detailed deliverables, timelines and transition benchmarks for the capacity development effort. Upon its approval by the Global Fund, implementation of the 24-month plan commenced in July 2012. Through reprogramming, flexibility and the negotiated reallocation of resources the Global Fund also approved the allocation of \$3 million from existing grants to support the activities in the plan.

Overview of the capacity development plan

Objectives

Two key objectives shaped the development of the plan. First, the overall goal of implementing the plan was to bring about sustained, positive change in the MoH and the Government of Zambia's ability to carry out grant management and donor funds

coordination. On the basis of this sustained level of improvement, and with the approval of the CCM, the Global Fund will then be in a position to conduct an assessment and make a decision on if the requirements have been met, for the PR role to transition from UNDP back to the MoH. Secondly, in addition to strengthening Global Fund-specific capacities, the plan was designed to contribute to and be aligned with the broader *Governance and Management Capacity Strengthening Plan (2011)* that was developed concurrently by the government of Zambia.

Elements of the plan

The capacity development plan was based upon two main strategic thrusts: systems strengthening, and human capacity development, undertaken in four functional areas. The key elements of the plan are shown in Table 3. UNDP and the MoH have been jointly responsible for the plan's implementation.

"UNDP has played an important role in ensuring continuity of the funding and commodities for the national HIV, TB, and malaria programmes in Zambia. UNDP has played an important role in the capacity development of the Ministry of Health through the establishment and support to the Programme Management Unit. It is exciting to see the Ministry of Health nominated as a Principal Recipient under The Global Fund's New Funding Model".

– PEPFAR Coordination Office

"The whole plan is about the government eventually absorbing the Global Fund-specific systems".

– MoH PMU staff member

The plan includes a number of benchmarks, against which the progress of the MoH towards readiness for transition to PR role could be assessed. These benchmarks include implementation of standard operating procedures, adequate training and skills development, meeting programmatic and financial targets, timely submission of data by health facilities and timely submission by the MoH of quarterly progress reports beginning in Month 6 of the plan.

Table 3: Key elements of the Capacity Development and Transition Plan for the Ministry of Health of the Republic of Zambia, 2012-2014

Functional area	Major Capacity Development activities
1. Programme management	<ul style="list-style-type: none"> • Establishment of a new, specialized Programme Management Unit within the MoH to manage Global Fund and other external resources • Comprehensive skills assessment of MoH-PMU staff, and related staff development plans and activities • Embedding of selected UNDP staff in the PMU to support key functions such as programming, finance, procurement and capacity development • Implementation of new standard operating procedures for Global Fund grant management, including new reporting tools and templates • Confirmation of sub-recipient agreement with MoH, including budget, work plan, Monitoring & Evaluation framework and reporting schedule • Ongoing support and collaboration between PMU and UNDP, including for quarterly sub-recipient reporting to the Global Fund • Regular review missions and site visits to district level to assess implementation of the national disease programmes and Capacity Development activities
2. Financial management and systems	<ul style="list-style-type: none"> • Installation of and training in new financial management software platform (Navision) at central, regional and district levels • Development of standard operating procedures for financial transactions and reporting by PMU and MoH • Development of financial reporting guidelines, tools and templates for provincial and district levels • UNDP support for preparation of financial reports at district and provincial levels • Professional skills development in financial management and accounting at central, provincial and district levels
3. Procurement and supply management	<ul style="list-style-type: none"> • Training of Procurement and Supply Chain staff at all levels on updated national Public Procurement Act 2011 and regulations • Development of new standard operating procedures for PSM, with related training activities • Development and implementation of a tracking tool to monitor procurement and supply chain performance • Training for logistics staff in effective tracking, and provision of logistics support, where needed • Assessment of improvements in delivery, stock management and tracking in 11 districts • Assessment of MoH PSM capacities and development of PSM plan prior to MoH assuming PR role
4. Monitoring and evaluation	<ul style="list-style-type: none"> • Procurement of laptops and enhance connectivity for District Health Information Officers and Provincial Health Officers to report data using web-based tools linked to PMU and Health Management Information Systems (HMIS) at central level • Upgrade of software in Demographic Health Information System (DHIS) from Version 1.4 to Version 2.0 to enable real-time, online data reporting on PMTCT, ART, TB/HIV, VMMC and malaria, from district to provincial and central levels • Development of revised, paper-based registers and reporting tools for use at health centre level • M&E and HMIS training for Health Information Officers • Revision and update of Spectrum outputs for HIV indicators • Ongoing UNDP support for PMU M&E activities

6 ACHIEVEMENTS OF THE CAPACITY-BUILDING EFFORT

This section describes major achievements in the four functional areas of the capacity development plan.

Programme management and oversight

Programme Management Unit

In 2012, a skilled, functional and semi-autonomous Programme Management Unit (PMU) was established at the Ministry of Health, and new offices were built in which to house it. The PMU has consolidated management functions that were previously dissipated throughout the MoH, and has been widely viewed in Zambia as one of the most important achievements of the capacity-building effort. The fact that the PMU was established with the endorsement of the Cabinet of Ministers in March 2012, and that there is a direct reporting line between the PMU Director and the Permanent Secretary of Health, have sent strong messages across government departments about the importance of the capacity-building plan and the government's strong commitment to it. A trip undertaken by the Permanent Secretary of Health and MoH along with other high level officials of MoH and accompanied by UNDP staff to Rwanda in April, 2011 was an important milestone in helping to determine the eventual structure of the PMU, as well as building trust and confidence between Ministry and UNDP staff.

*"The PMU was **a big step**. It came just in time, because the Ministry of Health was understaffed and had high turnover. With the PMU we can do a lot, and things are much more integrated."*

– MoH PMU Director

*"Having a dedicated Unit will give much **more focus to the work**, as opposed to having things spread all around the MoH."*

– MoH PMU staff member

Ministry of Health Program Management Unit located in the Ministry of Health compound in Lusaka



Skills assessments and implementation of a Unit-wide staff development plan have led to the recruitment or assignment from within the Ministry of 28 qualified staff for the new PMU. Ministry of Health PMU staff in key areas – such as financial management, procurement and M&E - have benefited from having counterparts in the UNDP PMU to provide support and guidance in their new roles, particularly as the Ministry prepared the quarterly reports required of Global Fund sub-recipients. The self-assessment of the capacity development plan undertaken 18 months into implementation found that, to the extent that the new PMU staff participated in other activities in the MoH, their improved skills and contributions have been highly valued.

In addition, selected staff members from the UNDP PMU have been embedded in the Ministry of Health PMU, bringing additional capacity that the Ministry needed, including technical expertise in HIV, TB and malaria programming. Importantly, UNDP recruited a designated Capacity Development Officer with similar experience in another country, who has provided critical oversight of the plan's implementation, ensuring that targets are met and momentum is maintained. UNDP also recruited a communications officer who was seconded to the MoH to help promote Zambia's HIV, TB, malaria and other health programs to the media and general public.

In the first year of the capacity development plan, efforts were focused substantially on establishing and recruiting staff for the PMU, including the development and implementation of systems, protocols and standard operating procedures necessary for the PMU to function effectively as a Global Fund sub-recipient. The sec-

ond year of the plan has focused on testing these systems through disbursement of funds and allowing the PMU to directly implement the grant, beginning with lower risk activities and moving gradually to more high-value procurement and training, depending on the Ministry of Health's performance and absorption capacity.

The functions of the UNDP PMU and Ministry of Health PMU are now gradually merging, and the two Units work together as a joint team, increasing the sense of national ownership of Global Fund-supported programming and laying the foundation for the eventual transition of the PR Role back to the Ministry of Health following a satisfactory assessment and decision by the Global Fund. To support the eventual transition, the Ministry of Health PMU is building relationships with its counterparts in the new Ministry of Community Development and Mother Child Health, this implementation modality is likely to require a capacity development process to identify and strengthen the procedures and systems of the new ministry.

"The initial perception was that what UNDP could do was limited in the circumstances, as it could not give money to the MoH and our own systems were inadequate. It's been made easier by ensuring that the PMU is separate and detached. Otherwise you'd never have been able to do it."

– MoH PMU staff member

"The first disbursement to us in the MoH PMU was an important milestone. It made our work real, and has enabled us to really use and test all the new policies and procedures."

"The PMU is now up and running and there is increasing integration of the UNDP PMU and the MoH PMU. They are progressively merging and that is a big plus"

"We may face some challenges with two ministries now responsible for delivery of health services. The fact that we have a PMU will probably support the relationships between the ministries."

"Ownership has been key. Full engagement between UNDP and the Ministry of Health, trust building, joint work plans, all with the commitments of both parties at senior levels, have been key factors in smooth implementation."

- Perspectives of MoH and UNDP PMU staff

Best You, Better PMUs

"THE GFATM PROGRAMME IN ZAMBIA IS BETTER BECAUSE WE ARE ALL DOING OUR BEST"

Our Team is Better because we are all at our Best Potential

Motivational sign
for the Global Fund
programme in Zambia

Country Coordinating Mechanism

A significant effort has been made by the Global Fund and other partners to strengthen the Country Coordinating Mechanism in Zambia. Structural reforms have reduced the size of the CCM from 26 to 16 people, streamlining its operations, improving efficiency and attendance and increasing the CCM's expertise in key areas, such as gender and women's issues. New executive, oversight and strategic investment planning committees have been created to more effectively manage the CCM's core business. New governance manuals have also been developed, and UNDP has provided support for CCM Secretariat staff, who are based at the National AIDS Council. As interim PR, UNDP reports semi-annually to CCM members using a new computer "dashboard" that assists the CCM to better understand and perform its grant oversight role.

*"There is a constant need for capacity development of CCM members to understand what their role is and what authority they have, as well as the role of the Principal Recipient and what to look for. We need to strike the right balance. We don't need to do all the work, like auditing the books, but we need to understand how we can **have access to the information** we need".*

"The increased engagement of the Global Fund Country Team has given more prominence to the CCM".

– CCM Chair

Financial management systems

Audits of the MoH in 2010 revealed weaknesses in financial management systems, unclear lines of authority, and lack of financial accountability from sub-recipients, among other challenges. The capacity development plan has therefore placed major emphasis on strengthening financial management and accountability.

A major accomplishment has been the full automation of financial management systems in the MoH through the installation of the Navision software platform. The new system allows the production of comprehensive and timely financial reports by the Ministry, and enables more effective tracking of funds to the provincial and district levels. The Navision deployment began in early 2013 and, by the end of the year, the system had been

installed and tested in the Ministry of Health PMU and in 82 provincial and district health offices.

*"The main benefits [of the capacity development plan] have been financial management and M&E across government. The Navision platform will especially **benefit the districts** and we'll need to ensure that it is sustained."*

– MoH PMU staff member

The second major achievement in this area was the development and implementation of a new Financial Procedures Manual, aligned to Navision and based on MoH needs, as well as Global Fund requirements. The new manual addresses sound financial management principles; Global Fund and MoH budgeting requirements; appropriate use of bank accounts and signatories; grant requests and receipting; financial aspects of performance-based funding; procedures for making disbursements to sub-recipients and disbursement reporting; payment authorization procedures; payments for consultants and contractors; payroll; imprest; travel and expenses; asset management; tax considerations; accounting policies, systems and records; and internal and external audit requirements. More than 80 finance officers at the PMU, in the broader Ministry of Health, and in provinces and districts, have received training in the use of the Navision platform and the new financial procedures.

Taken together, new technology, sound financial procedures and updated payment systems represent significant progress in building Zambia's capacity to effectively manage national and international resources for health.

*"Strengthening Global Fund finance and procurement has **strengthened the Ministry as a whole.**"*

– MoH procurement official

Procurement and supply management

Zambia's public procurement system for medicines and other health commodities had been characterized by low capacity and slow tendering processes at the Ministry of Health, lack of coordination among multiple actors, an inability to accurately forecast and quantify needs, and weaknesses in the supply chain, including storage and distribution systems. Medical Stores Limited (MSL), a para-statal agency co-owned by the Ministries of Health and Finance, has had responsibility for storage and distribution of health commodities, but until 2011 only delivered commodities from point-of-entry to the district level. Distribution from the district level to health centres – the “last mile” – can be the most challenging stage of the supply chain, and in Zambia has been dependent upon the efforts of district officials, who frequently struggle to recruit and retain staff with adequate expertise in logistics and stock management. Overall, this fragmented system had no single entity with responsibility for end-to-end procurement and delivery, and capacity gaps had resulted in several stock outs of ARVs, ACTs, TB and other drugs at the health centre level, as well the expiry and theft of medicines.

*“Zambia had not fully recognized that you need specialists to do public health procurement well. This is beginning to change. You can't develop full capacity in a couple of years. We've needed a **cultural change** and we need institutions that have the capacity”.*

– Medical Stores official

Standard Operating Procedures

UNDP support for the development and rollout of a new Standard Operating Manual for procurement in the MoH has been a major contribution to strengthening of the national procurement system. The manual sets out an organizational structure for national procurement and includes new guidance and procedures that



Medical Stores Limited warehouse, Zambia

have not only been adopted across the MoH, but are also influencing practices in other parts of government. UNDP has supported training in the use of the new manual and in the new Public Procurement Act rules and regulations for more than 125 procurement staff at various levels of the Ministry of Health, and is now performing ongoing monitoring at provincial and district levels to ensure compliance.

*“The new procurement manual has been distributed to all health facilities, with training and orientation. This has **helped** procurement in the other ministries that are adapting it.”*

- MoH procurement official

focused significant effort on strengthening MSL so that it can effectively perform these new roles. John Snow International has played a leading role in helping to enhance MSL capacities such as quantification and forecasting. UNDP’s support – based on a capacity assessment that it performed in 2010 - has focused on urgent infrastructure and capital improvements needed in the supply chain, such as the construction of a new warehouse hub in Western Province and the purchase of 40 new trucks to upgrade an aging and strained truck fleet. UNDP and other partners have also worked with MSL to help develop a new National Supply Chain strategy.

As part of its management of current grants, UNDP has introduced a new fee-for-service funding approach to MSL, known as the activity-based costing model, which is contributing to the self-sufficiency of MSL, consistent with the government’s intention that MSL should become self-financing. A UNDP staff member embedded in MSL has helped to support this arrangement and UNDP’s other efforts to strengthen the supply chain.

Strengthening storage and distribution systems

On becoming interim PR, UNDP assumed responsibility from the MoH for all procurement under Global Fund grants. The Global Fund requires that grantees are able to demonstrate the delivery of commodities to the point of service. In 2011, a New Public Procurement Act passed in Zambia expanded the mandate of Medical Stores Limited to assume greater leadership in strategy, planning and forecasting for the supply chain, while also extending its role in delivery of commodities from the district to the health centre level. UNDP and other partners have therefore

*“The relationship with UNDP has taught us that the Medical Stores can run services for a fee rather than submitting a budget and being funded by the MoH. There is more discipline in that, and invoicing is **more efficient.**”*

- Medical Stores official

Supply Chain coordination between key partners has helped reduce the risk of stock outs of Anti-Viral medicines



The Ministry of Health continues to review optimal procurement arrangements in the country and may give responsibility for the entire process of procurement, storage and distribution to MSL in the future, consistent with international best practice of having a single entity responsible from the beginning to the end of the procurement process. Should this occur, UNDP has contingency plans and funds for further capacity development for MSL in key areas such as tendering, bid evaluation and contract management.

Other system-strengthening activities

UNDP has supported or contributed to a range of other procurement strengthening activities, such as the development of a standard bidding procedure and related documents for use by the Zambia Public Procurement Authority, which incorporates Global Fund requirements. It has also helped to develop a National Quality Assurance Plan for pharmaceutical products, which addresses issues such as optimal supply sourcing from WHO-prequalified or other Global Fund-approved sources; acceptable transport routes; forms of packaging and modes of transport; storage conditions in transit; sample testing, and minimum conditions for warehousing along the supply chain. Although sample testing of ARVs and other pharmaceutical products is currently performed outside the country, Zambia is now working to have its National Drug Control Laboratory pre-qualified by WHO so that such testing can be done domestically.

Further to the capacity development plan, UNDP and the MoH have also developed a procurement performance-tracking tool that is being deployed in 2014, and have begun an initiative to closely monitor 11 districts in which the supply chain is fragile, and to develop action plans where constraints are identified. UNDP has also supported the reactivation of a national Procurement Technical Working Group, hosted by the MoH, to monitor and respond to national procurement challenges.

Overall, as a result of work by UNDP, the Ministry of Health, MSL and other partners, there have been no stock-outs of commodities financed by Global Fund grants since 2010, and favourable unit prices have been attained. More uniform and systematic practices and procedures are in place, and procurement and logistics personnel are better trained. The procurement and supply chain system for health commodities in Zambia is undergoing rapid improvement.

"With the Global Fund investments in policies and people, a major area of improvement has been procurement. The vision is for Zambia to have full capacity to do its own procurement and quality assurance of drugs in the next few years".

– Medical Stores Official

*"The introduction of the activity-based costing modality has **improved** the financial stability of the Medical Stores".*

– UNDP PMU procurement officer

Monitoring and evaluation

Effective monitoring and reporting on the scale-up of interventions are fundamental to assessing the performance of national disease programmes, as well as Global Fund grants. By 2010, the HMIS in Zambia had become technologically out of date, prone to viruses and crashes, was saturated with data and had limited capacity to perform analysis. As a result, data collection and completion rates



Sister at the Maternity Ward in Lusaka where there has been a significant reduction of Mother-to-Child transmissions of HIV, helped by HIV testing in pregnancy and having access to antiretroviral therapy (ART)

in the country were low. Tools and registers used to record the delivery of health services also required updating to reflect the most recent clinical guidelines. Upgrading the HMIS at central, provincial and district levels has therefore been a high priority of the capacity development plan.

In 2013, the main technology platform, the District Health Information System (DHIS) was upgraded from Version 1.4 to the web-based Version 2.0, initially at the central level and progressively to all provinces and districts in the country. In addition, UNDP procured 60 laptops and 10 new servers to integrate District and Provincial Health Officers into the DHIS and to strengthen its overall functionality. These personnel are now able to enter data using web-based tools that are linked to and accessible in real-time by the Ministry of Health PMU and administrators of the central HMIS. As part of UNDP support to DHIS 2, health facility level data collection tally sheets, registers and monthly reporting forms were revised in line with 2010 WHO guidelines, notably for PMTCT, ART and VMMC. Around 125 district and provincial level M&E Officers and Health Information Officers have been trained in the use of the new DHIS system.

The new DHIS has significantly enhanced the quality and timeliness of data, with data completeness improving from 60 percent in 2010 to around 90 per cent in 2013. A training program is also being implemented to assist District and Provincial Health Information Officers to use the data and perform more first-level analysis. In addition to guiding programming and reporting, more comprehensive health data has enabled the Ministry of Health to produce a wider range of national health bulletins and newsletters. Ongoing institutional support for the system, especially at provincial and district levels, will be essential to ensure its long-term stability and effectiveness.

"The new DHIS has really had system-wide impact".

– MoH M&E official

"Quite a lot of resources have been invested to move from the old DHIS system. It was largely paper-based, and is now automated from the district level up. It gives us real-time data. We still face some challenges with internet connectivity in some places, but the good thing is that data can be entered offline and uploaded later on."

– UNDP PMU M&E officer

As part of the capacity development plan, UNDP has also supported the Ministry of Health to provide basic M&E training to more than 125 M&E officers provide the University of Zambia. UNDP has also supported the further rollout of the SmartCare electronic patients record system, and contributed to the revision and updating of Spectrum software outputs for core HIV indicators, based on evolving epidemiological trends and programme performance. More comprehensive Spectrum reports are of value to many partners in the country, including the Ministry of Health, the National AIDS Council, the Country Coordinating Mechanism, The Global Fund, UNAIDS, UNICEF and the US Government PEPFAR program.

Improving data quality and analysis is helping medical staff and managers make better informed decisions.



7 TOWARDS TRANSITION

Assessing progress in capacity development

An independent assessment of progress made 18 months into the term of the capacity-building plan reported that 90 per cent of the indicators are on track to be achieved. This will help enable the Global Fund to assess and make a decision on the ability of Ministry of Health PMU to become a PR. Good progress is being made in the following 10 areas:

- MoH PMU demonstrates effective management structures and planning;
- Program implementation plan provided in the funding request is sound;
- Internal control systems are effective to detect misuse and fraud;
- The financial management system of the MoH PMU is effective and accurate;
- Central and regional warehousing have capacity and are aligned with good storage practices;
- Distribution systems and transportation arrangements are efficient to ensure secure and continued supply;
- Data collection capacity and tools are in place to monitor performance;
- Functional routine reporting is in place with reasonable coverage to report programme performance;
- The CCM actively oversees the implementation of the grant, and intervenes where appropriate, and
- Implementers have capacity to comply with quality requirements and monitor product quality throughout the in-country supply chain.

Two areas relating to the Ministry of Health's capacity to assess and select sub-recipients under Global Fund grants were identified as requiring additional attention. These issues are being actively addressed by the MoH and UNDP. Additional capacity building needs may include contracting, supervising and strengthening sub-recipients, reporting to the Global Fund and asset management.

The success of the capacity building effort to date shows that two years of investment by the government of Zambia, UNDP, the Global Fund and other cooperating partners are beginning to yield results. In 2014, the Ministry of Health of Zambia will again be proposed as PR of Global Fund financing under the Global Fund's

new funding model. Even as the goals of the capacity development plan are being achieved, capacity building in Zambia will need to be an ongoing process. It is likely that the country will seek further resources from the Global Fund in the coming years to ensure that the impressive gains made so far are sustained and advanced, especially at the provincial and district levels, which face the most persistent capacity constraints. The ongoing investment in strengthening the national entities, systems and human resources in Zambia, will help ensure that services and essential medicines continue to be accessed by vulnerable groups in the future.

*"Doing implementation and capacity development at the same time has been a challenge for UNDP. What has guided us along the way is understanding this as a **transition**, and planning for the progressive integration of UNDP and Global Fund procedures with the MoH PMU."*

– MoH PMU Capacity Development Officer

*"The next concept note will likely include additional **capacity development**, which needs to be integrated and ongoing, especially at provincial and district levels."*

– UNDP M&E Officer

*"A key part of the capacity development process has been the two PMUs **working closely together**. This will need to continue over the next couple of years"*

– MoH PMU Director

Ingredients for success

The following factors have contributed to the progress made in building national capacity in Zambia:

- An extensive effort undertaken by the Global Fund and UNDP to diagnose capacity constraints prior to UNDP assuming the interim Principal Recipient role, with close involvement of national and international partners;
- The strong commitment to the capacity development plan by senior leadership in the government of Zambia, the Global Fund, UNDP and major partners;
- The dedication of resources for the plan from existing Global Fund grants, demonstrating the importance of these efforts to the Ministry of Health, UNDP and the Global Fund;
- The establishment of a dedicated PMU in the Ministry of Health;
- Close collaboration, joint planning and teamwork between UNDP as interim Principal Recipient and the Ministry of Health as sub-recipient with a view to the progressive merging of operations so that the Ministry may reassume the role of Principal Recipient in the future;
- An effective combination of applied technical assistance, training, development of new policies and procedures and upgrades to technology;
- Having a full time capacity development specialist to oversee implementation of the plan, and the embedding of UNDP staff in the Ministry of Health PMU to provide oversight, support and quality assurance;
- The capacity development plan was firmly grounded in strengthening national institutions and systems, rather than creating parallel systems, and has complemented other efforts to strengthen national governance.

"Sometimes it has been a bit overwhelming, but as things go along, it now feels like it's beginning to come together."

– CCM member

*"It's important that the PR-ship goes back to MoH so we can manage our own affairs, but we have needed a roadmap. As a country we can thank UNDP for providing it. They had the capacity, **willingness and resources**. They stepped up when the chips were down."*

– MoH PMU staff member

*"The country's expectations of UNDP have been high, including from the Minister and Permanent Secretary. And of course, UNDP has very high hopes for Zambia. Our efforts are now focused on **making the transition** together."*

- UNDP PMU Director



Joint PMU-MoH and UNDP orientation on Global Fund Policy and Procedures, 2012

KEY RESOURCES

Key resources consulted for this case study include:

- Global Fund website Zambia page <http://portfolio.theglobal-fund.org/en/Country/Index/ZMB>
- Ministry of Health of Zambia (2011). Capacity development and transition plan for the Ministry of Health of the Republic of Zambia: A plan for transitioning the Global Fund Principal Recipient role from UNDP to the Ministry of Health.
- Ministry of Health of Zambia Programme Management Unit (2011). Capacity development and transition action plan 2011-2013.
- Armstrong R. (January 2014). Technical support to UNDP Zambia: Interim assessment of Ministry of Health Programme Management Unit. Findings report.
- Government of Zambia and National AIDS Council (2011) Zambia Country Report: Monitoring the Declaration of the Commitment on HIV and AIDS and Universal Access.
- Zambia Country Coordinating Mechanism (May 2013). Request for renewal of consolidated HIV grant for rounds 8-10.
- Zambia Global Fund 2012 Country PUDR report.
- Ministry of Health of Zambia and UNDP (2012). Annual report on the performance of Global Fund supported HIV, TB and malaria programmes, 2012.
- Ministry of Health of Zambia and UNDP (2011). Annual report on the implementation of Global Fund HIV/AIDS grants in Zambia 2011.
- Government of Zambia (2013). National AIDS Strategic Framework (2011-2015): Joint Mid-term Review Report.
- Roll Back Malaria (April 2011). Country report 2 – Focus on Zambia. Progress and Impact Series.
- USAID, PMI, CDC (2013). Malaria operational plan FY 2013
- Office of the Global Fund Inspector General (2010). Country audit of Global Fund grants to Zambia.
- Government of Zambia (2013). Programme Management Unit Financial Procedures Manual.
- Ministry of Health of Zambia (2013). MoH-Procurement Standard Operating Procedures Manual.
- Ministry of Health of Zambia (June 2013). Summary report of the Ministry of Health/UNDP training workshop on procurement regulations and procedures and Ministry standard operating procedures.
- Ministry of Health of Zambia. Cross cutting quality assurance plan for Global Fund procured consignments in Zambia.

UNDP partners with people at all levels of society to help build nations that can withstand crisis, and drive and sustain the kind of growth that improves the quality of life for everyone. On the ground in more than 170 countries and territories, we offer global perspective and local insight to help empower lives and build resilient nations.



*Empowered lives.
Resilient nations.*

United Nations Development Programme

One United Nations Plaza

New York, NY 10017

www.undp.org

Cover photography: © J. Coulson