

Thematic Audit Report



Global Fund grants for TB/HIV to

Viet Nam, Thailand and Lao People's Democratic Republic

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1. Executive Summary

1.1 Opinion

Lao People's Democratic Republic (Lao PDR), Thailand, and Viet Nam have made significant progress in reducing HIV and tuberculosis (TB) incidence, as well as AIDS-related deaths in the past decade. Thailand and Viet Nam play a vital role in combating TB and HIV, and are among the 30 highest burden countries. All three countries implement universal health coverage schemes and community-based HIV prevention services. However, challenges, including increasing HIV prevalence among key populations, could threaten the gains made in these countries. Factors contributing to this include limited geographical coverage for prevention programs, lack of targeted interventions for young key populations, and low condom use among all key populations.

Suboptimal linkage with antiretroviral treatment is one of the main challenges in the fight against HIV/AIDS, with limited antiretroviral treatment sites, patient retention issues, and challenges in implementing the “test and treat” policy. Limited TB/HIV collaborative mechanisms exacerbate this situation, with inefficiencies and coordination lapses. Better collaboration is needed on TB/HIV data collection and reporting systems, and improvements are also needed in the monitoring of TB data among people living with HIV.

Despite the considerable decline in TB rates over the past decade, the three countries continue to face challenges in identifying missing TB and multidrug-resistant TB (MDR-TB) cases and scaling up TB preventive treatment. Underutilization of community-based TB in contact tracing, difficulties in leveraging the public-private mix (PPM),¹ delayed distribution of GeneXpert machines, as well as a lack of recent prevalence surveys to guide strategies, contributed to the inability of countries to identify missing cases and improve preventive treatment coverage. The implementation modalities of the TB and HIV grants to ensure the achievement of grant objectives are **partially effective**.

Governments in the three countries largely finance HIV and TB treatment and have increased spending on co-financing. However, challenges remain in implementing equitable, people-centered health systems and meeting Global Fund co-financing requirements to unlock full funding allocation from the Global Fund. Complex registration procedures for social health insurance and national identity requirements create barriers to accessing healthcare for key populations and undocumented migrants. Lack of sustainability and transition plans, as well as gaps in tracking, reporting, and management of co-financing commitments, also impact programmatic and financial sustainability efforts.

The Health and Nutrition Services Access (HANSA)² project has enhanced subnational ownership in TB and HIV programs, aiming to integrate disease-specific programs and focusing on enhancing healthcare services in Lao PDR. Challenges, including insufficient domestic funding for health, and coordination issues affected the achievement of the project goals. The effectiveness of grant interventions and approaches to implementing sustainable people-centered systems for health to deliver impact is **partially effective**.

¹ Public-private mix (PPM) for tuberculosis (TB) care implies working with all relevant public and private health care providers to ensure that high-quality TB care is offered to all who need it (National Institutes for Health <https://pubmed.ncbi.nlm.nih.gov/> - accessed on 12 December 2023)

² HANSA is a form of blended finance mechanism aimed at catalyzing additional financing and/or influencing existing partner financing to support HIV, TB, malaria (HTM), and Resilient and Sustainable Systems for Health (RSSH) objectives

1.2 Key Achievements and Good Practices

Good progress made in reducing HIV-related incidence and deaths in the three countries

Between 2012 and 2022, Thailand and Viet Nam managed to decrease HIV incidence by almost half and Lao PDR by almost 10%. Antiretroviral treatment coverage for people living with HIV increased by 40%, 38%, and 29% in Thailand, Viet Nam and Lao PDR, respectively. Deaths among people living with HIV in Thailand and Viet Nam decreased by 65% and 29% respectively, suggesting improved treatment efforts. Lao PDR, Thailand, and Viet Nam provide universal health coverage, including medical treatment and emergency care for their citizens. Community-based organizations (CBOs) provide important HIV prevention services to vulnerable populations in these countries.

Consistent decline in TB incidence and deaths until 2021

The TB incidence in all three countries has steadily fallen during the past decade. Between 2010 and 2021, Thailand, Viet Nam and Lao PDR reduced TB incidence by 21%, 25% and 35% respectively; while deaths reduced by 31%, 36% and 49%. The main drivers were strong TB policies that coordinated prevention, diagnosis, and treatment interventions. Shorter regimens have also improved DS-TB and DR-TB treatment success rates.³ DS-TB treatment success rates across the three countries are between 85% in Thailand and 90% in Viet Nam.⁴

Increase in co-financing commitments from Governments in the three countries

Government co-financing spending increased in the countries. Co-financing spending in Viet Nam increased by 41%, from US\$80 million in the 2015–2017 period to US\$113 million in the 2018–2020 period. Lao PDR increased co-financing from US\$0.3 million in 2021 to US\$2 million in 2023.

1.3 Key Issues and Risks

HIV prevention for key populations and linkage to antiretroviral treatment need to improve to end the epidemic by 2030

Persistent challenges including prevention and testing among key and vulnerable populations, suboptimal linkage to antiretroviral treatment, and TB/HIV collaboration issues could affect the achievement of the countries' objectives. Limited geographical coverage for prevention, lack of targeted intervention for young key populations and low condom use among key populations, among other factors, are the root causes for the low prevention and testing among key and vulnerable populations. Non-compliance with the same-day test and treat policy in the three countries is impacting the achievement of the UNAIDS 2025 goal of putting 95% of people living with HIV on antiretroviral treatment.

Limited TB case finding prevents countries from achieving national and grant targets

The case detection rates for all forms of TB in 2022 against the target of 90% in Thailand, Viet Nam and Lao PDR were 65%, 59%, and 82%, respectively. The contributing factors include the underutilization of community-based TB in contact tracing, difficulties in leveraging the PPM, the lack of recent prevalence surveys to guide strategies and underutilization of GeneXpert machines. In Thailand, the prevalence survey was postponed due to the COVID-19 pandemic. In Viet Nam, one of the main factors affecting TB implementation was the prioritization of the fight against COVID-19 by the National TB Program. In Lao PDR, among other issues, low capacity and skills at the primary

³ Shorter regimen has the potential to dramatically increase cure rates due to its high efficacy, allow broader access due to its lower cost and improve patient quality of life as this regimen is all-oral and significantly shorter than conventional treatment regimens www.who.int- accessed on 12 December 2023

⁴ <https://dashboards.stoptb.org/country-profile.html> - accessed on 12 December 2023

healthcare level contributed to delayed diagnoses. For instance, deaths within one month of TB treatment were consistently high (68% in 2021 and 73% in 2022).⁵

Collaboration between HIV/TB activities and scale-up of TB preventive treatment is needed to decrease the burden of TB and HIV

WHO established a guidance policy on collaborative TB and HIV activities to help countries address the burden on populations at risk of, or affected by, both diseases. The audit noted a need to better follow this guidance. For example, data collection and reporting systems and improved monitoring of cascaded data on TB screening, diagnosis, and treatment among people living with HIV. In Thailand, the scale-up of TB preventive treatment is limited. Providers exercise precaution before administering preventive treatment for fear of creating resistance among patients, negatively affecting the country's ability to reduce TB morbidity, mortality, and incidence among people living with HIV.

Global Fund-supported programs in the three countries require improvement in programmatic and financial sustainability

Challenges remain in implementing equitable, people-centred health systems and meeting co-financing commitments. Complex procedures for social health insurance registration and national identity requirements create barriers to accessing healthcare in Viet Nam and Thailand. The 2020 Stigma Index survey in Viet Nam revealed critical gaps in the implementation of measures to combat stigma and discrimination.

The blended finance mechanism in Lao PDR has made progress, but improvement is needed in implementing the HANSA project

The Health and Nutrition Services Access (HANSA)⁶ project aims to strengthen national systems including public finance management (PFM), health management information systems (HMIS), and resilient and sustainable systems for health (RSSH) with the support of partners. The absorption of Global Fund grant funds was 58% as of December 2022. Apart from implementation delays to the project due to the COVID-19 pandemic, there was also inadequate coordination and lagging data verification.

1.4 Objectives, Ratings and Scope

Objectives	Rating	Scope
The implementation modalities of the TB and HIV grants to ensure the achievement of grant objectives.	Partially Effective	Audit period January 2021 to December 2022
The effectiveness of grant interventions and approach to implement sustainable people-centred systems for health to deliver impact.	Partially Effective	Grants and implementers The audit covered the Principal Recipients of Global Fund-supported programs in the three countries.

⁵ Data Quality Assessment (DQA) in DHIS2 (2019-2022)

⁶ The Health and Nutrition Services Access (HANSA) programme is a Lao PDR project co-financed through a WB/IDA loan and grants from the Global Fund and the Australian Department of Foreign Affairs and Trade

2. Background and Context

2.1 Country Context

Out of the three countries selected for the audit, two (Lao PDR and Viet Nam) are lower middle-income countries while Thailand is an upper middle-income country.⁵ The Governments of Thailand and Viet Nam are the main investors in the national TB response, providing 63% and 86% of the funding followed by the Global Fund at 14% and 37% respectively.⁷ The Lao PDR grant is on a result-based financing modality, implementing the HANSA project. The project, which is funded jointly with the World Bank and the Department of Foreign Affairs and Trade of Australia, aims to improve access to health and nutrition services.

Thailand and Viet Nam are among countries with the highest rates of TB globally. Thailand is among the 30 countries with the highest TB and HIV-associated TB burden while Viet Nam is among the 30 countries with the highest TB and MDR/RR TB globally.⁸

All three countries have met and surpassed the third 95⁹ of the UNAIDS targets. However, there were notable gaps with the first and second 95, especially in Lao PDR, which has a cascade of 76-77-99.¹⁰ Although Lao PDR recorded the lowest new HIV infections, this has stagnated in the last three years (2020-2022). While Thailand reported the highest new infections among the three countries, with 9,200 in 2022 (incidents of 0.27 per 1,000 population), this has been on a gradual decline similar to Viet Nam.¹¹

Country data ¹²	Viet Nam	Thailand	Lao PDR
Population	104.8 million (2023)	69.8 million (2023)	7.9 million (2023)
GDP	US\$1.0 trillion (2021)	US\$1.2 trillion (2021)	US\$58.3 billion (2021)
Corruption Perception Index	77 of 180 (2022)	101 of 180 (2022)	126 of 180 (2022)
UNDP Human Development Index	115 of 191 (2021)	66 of 191 (2021)	140 of 191 (2021)
Government spending on health (% of GDP in 2019)	4.7% (2020)	4.4% (2020)	2.7% (2020)

⁷ Funding Landscape Tables – Funding Request for NFM 3

⁸ [WHO global lists of high burden countries for tuberculosis \(TB, TB/HIV and multidrug/rifampicin-resistant TB \(MDR/RR-TB\) 2021-2025](#). Accessed in Oct 2022.

⁹ First 95% is the people who are living with HIV knowing their HIV status, second 95% of the people who know that they are living with HIV being on lifesaving anti-retroviral treatment, and third 95% of people who are on treatment being virally suppressed

¹⁰ <https://aidsinfo.unaids.org/> Accessed in February 2024

¹¹ See footnote 3

¹² CIA FactBook, UNDP HDI, Corruption Transparency Index, Gender Inequality Index, <https://data.worldbank.org/country/viet-nam>; <https://data.worldbank.org/country/Thailand>. Accessed in October 2023.

2.2 COVID-19 Situation

Viet Nam recorded 11.6 million cases of infection and 43,000 deaths, ranked 13/231 countries and territories, while having a rate of infections of 117,000 cases per 1 million people. There have been four epidemic waves, with the peak occurring from 2021 to 2022.

Thailand was the first country to report a case outside China, on 13 January 2020. As of 2 April 2022, the country had reported a total of 3.6 million confirmed cases, with 25,000 deaths from the disease. Thailand is currently ranked fourth in the number of cases in Southeast Asia, behind Viet Nam, Indonesia, and Malaysia.

COVID-19 statistics	Viet Nam	Thailand	Lao PDR
Confirmed cases	11,624,000	4,758,125	218,891
Deaths	43,206	34,487	671

2.3 Global Fund Grants in Viet Nam, Thailand, and Lao PDR

Since 2002, the Global Fund has signed grants of over US\$1.43 billion and disbursed more than US\$1.40 billion to Viet Nam, Thailand, and Lao PDR.¹³ Total active grants for the three countries are US\$261 million for the 2020-2022 funding allocation period (i.e., January 2021 to December 2023 implementation period), of which 89% (US\$233 million) have been disbursed.¹⁴

In Viet Nam, the Viet Nam Authority of HIV/AIDS Control (VAAC) and Viet Nam Union of Science and Technology Associations (VUSTA) are the Principal Recipients for HIV grants, while the Viet Nam National Lung Hospital is the Principal Recipient of the TB Global Fund grants. In Thailand, the Department of Disease Control (DDC) on behalf of the Ministry of Health, and the Raks Thai Foundation (RTF) are the Principal Recipients of the Global Fund grants implementing combined HIV and TB grants. In Lao PDR, the Ministry of Health is the Principal Recipient of the Global Fund grants implementing a combined HIV and TB grant.

¹³ Global Fund Data Explorer, accessed on 9 November 2023

¹⁴ Grant Operating System (GOS) data, accessed on 9 November 2023

2.4 The Two Diseases



Viet Nam ¹⁵	Thailand	Lao PDR
<p>250,000 people are living with HIV as of 2022, of whom 89% know their status and are on treatment.¹⁶</p> <p>Annual incidents decreased from 13,000 in 2012 to 6,200 in 2022. AIDS-related deaths decreased from 5,800 in 2012 to 4,100 in 2022.</p> <p>Number of people on (ART) increased from 35% in 2010 to 81% in 2022.</p> <p>The epidemic remains concentrated among three key population groups: MSM at 13% prevalence in 2020; people who inject drugs (PWID) at 13% prevalence in 2019; and female sex workers (FSW) at 3% prevalence in 2020 according to the latest round of HIV sentinel surveillance.⁹</p> <p>Steady decrease in TB incidence in the past 10 years from 231/100,000 in 2010 to 173/100,000 in 2021. Although this started rising to 173/100,000 in 2021 up from 171/100,000 in 2020.¹⁷</p> <p>Between 2019 and 2020, the case notification rate averaged 60%. Notified cases declined in 2021 to 47% due to COVID-19 pandemic, but increased again in 2022 to 60% (103/173 per 100,000 cases).</p> <p>Mortality rate has decreased since 2010, from 20,000 to 11,880 in 2021.</p>	<p>560,000 people are living with HIV as of 2022, of whom 90% know their status and are on treatment.¹⁸</p> <p>Annual incidence decreased from 17,000 in 2012 to 9,200 in 2022. AIDS-related deaths decreased from 31,000 in 2010 to 11,000 in 2022.</p> <p>The number of people on ART increased from 41% in 2012 to 90% in 2022.</p> <p>New infections are highly concentrated in the younger key population with significant majority being among men who have sex with men, accounting for more than 61% of all infections nationwide in 2021.</p> <p>Steady decrease in TB incidence in the past 10 years from 181/100,000 in 2010 to 143/100,000 in 2021. The latest National Strategic Plan goal is to reduce TB incidence to 130/100,000 population in 2025 and the Global Fund's goal is to eradicate TB as an epidemic by 2030.</p> <p>Thailand had a total of 71,488/103,000 new/relapse TB patients registered for treatment in 2021, representing a treatment coverage rate of 70%.¹⁹</p> <p>Mortality rate has decreased slowly, remaining relatively stable at around 14 per 100,000 population between 2007 and 2021.²⁰</p>	<p>17,000 people are living with HIV as of 2022, of whom 76% know their status and are on treatment.</p> <p>Annual new infections decreased by 10% from 1,100 in 2012 to 1,000 in 2018, then stagnating at 1,000 new infections since 2022.</p> <p>AIDS-related deaths were stable in the last decade at 500 deaths per year between 2012 and 2022.</p> <p>Number of people on ART increased from 35% in 2010 to 77% in 2022.</p> <p>In 2022, among an estimated 838 cases of new HIV infection, MSM represent the majority (33%), and FSW, TG, and PWID all together comprised 8% of all new cases.</p> <p>The estimated incidence rate of TB in Lao PDR has dropped steadily between 2000 and 2021, from 330 to 143 per 100,000 population.²¹</p> <p>TB notification at national level in Lao PDR was 83 per 100,000 in 2021, better than the other two countries.</p> <p>Preventive TB treatment has worsened, decreasing from 75% in 2017 to 19.6% in 2021.</p>

¹⁵ Source data for data on Viet Nam, Thailand and Lao PDR unless specified otherwise: Global TB Programme, WHO, <https://www.who.int/teams/global-tuberculosis-programme-Oct-2023>; Global data on HIV epidemiology and response, UNAIDS <https://aidsinfo.unaids.org/> - Accessed in February 2024

¹⁶ <https://aidsinfo.unaids.org/> Accessed in February 2024

¹⁷ Global TB Report, 2022, <https://www.who.int/teams/global-tuberculosis-programme/tb-reports/global-tuberculosis-report-2022/tb-disease-burden/2-2-tb-mortality> Accessed in October 2023

¹⁸ See footnote 9

¹⁹ See footnote 10









²⁰ See footnote 9

²¹ See footnote 10

3. Portfolio Risk and Performance Snapshot

3.1 Portfolio Performance

NFM 3 Allocation (2020-2022)

Comp	Grant	Principal Recipient	Total Signed (US\$ millions)	Disbursement ²² (US\$ millions)	(%)	Dec 2021	June ²³ 2022	Dec 2022
	VNM-H-VAAC (Viet Nam)	MOH	61	54	90%	A1	A4	A3
	VNM-H-VUSTA (Viet Nam)	The Vietnam Union of Science and Technology Associations (VUSTA)	7	7	100%	A3	A2	A1
	VNM-T-NTP (Viet Nam)	MOH	94	84	89%	C5	C5	C5
 	LAO-C-MOH (Lao PDR)	MOH	22	12.3	56%	A5		A5
					(%)	Sept 2021	Mar 2022	Sept 2022
	THA-C-DDC (Thailand)	The Department of Disease Control (DDC)	39	34	87%	B1	C5	C5
 	THA-C-RTF (Thailand)	RAKS Thail Foundation (RTF)	39	34	89%	B2	C3	C3
TOTAL			261	233	89%			

The Global fund updated the PU/DR performance rating methodology²⁴ with programmatic performance assessed via alphabetic ratings, while financial performance is assessed via numerical ratings.

²² The portfolio signed/disbursed figures below/above are based on total funds processed for the 2020-2022 Implementation Period as of 15 December 2022, against the total signed amounts

²³ Reporting cycle for Thailand and Viet Nam is semi-annual, while it is annual for Lao PDR, given that it is a focused country

²⁴ [Revised PU/DR and Performance Ratings](#) (2022), accessed 9 November 2023

3.2 Risk Appetite

The OIG compared the Secretariat's aggregated assessed risk levels of key risk categories covered in the audit objectives for the Viet Nam and Thailand portfolios with the residual risk that exists based on the OIG's assessment, mapping risks to specific audit findings. As a focused country, Lao PDR does not benefit from a risk assessment by the Secretariat.

Country	Audit area	Risk category	Secretariat aggregated assessed risk level	Assessed residual risk based on audit results	Relevant audit issues
Viet Nam	Program quality	HIV Program Quality	Moderate	Moderate	4.1, 4.3
		TB Program Quality	Low	Moderate	4.2, 4.3
Thailand	Program quality	HIV Program Quality	Low	Moderate	4.1, 4.3
		TB Program Quality	Low	Moderate	4.2, 4.3
Viet Nam	Health Financing	Co-financing and Sustainability	Not assessed ²⁵	Moderate	4.4
Thailand	Health Financing	Co-financing and Sustainability	Not assessed	Moderate	4.4

²⁵ Health financing factor was added to the list of risks in 2021, after the initial risk assessment in 2020

4. Findings

4.1 HIV prevention for key populations and linkage to antiretroviral treatment need to improve to end the epidemic by 2030

Considerable progress has been made in decreasing HIV incidence and prevalence in the general population. However, high and increasing prevalence among specific groups of key populations and notable gaps in linkage to treatment may impact the gains made.

Thailand, Viet Nam, and Lao People's Democratic Republic (Lao PDR) provide universal health coverage schemes, including medical care, treatment, and emergency care to their citizens. Community-based organizations (CBOs) are also involved in providing essential packages of HIV preventions services to key populations. In Thailand, some of these CBOs are providing community-based testing and treatment of viral hepatitis, latent TB infection (LTBI), sexually transmitted infections, and HIV screening with oral fluid tests (OFT) that largely support national programs to detect and treat TB and HIV patients.

Between 2012 and 2022, Thailand, Viet Nam and Lao PDR decreased HIV incidence by 46%, 52% and 9% respectively and increased the number of people with HIV on antiretroviral treatment²⁶. Deaths among people living with HIV in Thailand and Viet Nam decreased by 65% and 29%, demonstrating enhanced efforts in providing crucial treatment to those in need.²⁷ Despite the progress made, challenges in HIV prevention and testing among key and vulnerable populations, as well as suboptimal linkage to antiretroviral treatment, stifle efforts to end HIV and TB as epidemics by 2030.

Challenges with HIV prevention and testing programs among key and vulnerable populations

Increased prevalence among specific groups of key populations could reverse gains, despite progress achieved in the reduction of HIV prevalence among the general population. The 2022 AIDS Epidemic Model (AEM) spectrum from Thailand²⁸ revised the estimate of new infections within the key population from 6,056 to 9,271. In Viet Nam, the prevalence among men who have sex with men (MSMs) has increased from 2% in 2012 to 12% in 2022. In Lao PDR, MSMs represent 33% of the estimated 1,000 new HIV cases. The increase in incidence in key populations is hindering progress towards HIV epidemic control. Key Grant Cycle 5 (GC5) objectives were not achieved, and the countries are not on track to achieve GC6 grant objectives. The following factors contributed to HIV prevention and testing challenges:

- *Limited coverage for prevention program for some key populations:* In Thailand, Female Sex Workers²⁹ (FSWs) across the country are covered by the universal health coverage of the National Health Security Office, providing prevention coverage of 82% in 2022 compared to the prevention coverage of 90% in Viet Nam and 37% in Lao PDR. Prevention coverage for key populations with higher prevalence, like MSMs, is low in the three countries, ranging from 30% in Viet Nam to 49% in Thailand. In Viet Nam, prevention activities for key populations took place in only 15 out of 33 provinces in GC6 and 17 out of 33 in GC7 due to limited resources.
- *Inadequate targeted interventions for younger key populations and low condom use:* there is a high concentration of new infections in younger key populations, indicating a need for further differentiated prevention focus. In Viet Nam, a quarter of transgender women have engaged in

²⁶ Increased from 41% to 90%, 35% to 81%, 29% to 58% in Thailand, Viet Nam and Lao PDR, respectively

²⁷ <https://www.unaids.org/en/regionscountries/countries>

²⁸ The AEM was developed in the concentrated epidemics of Asia. It is a risk structured model built around key populations

²⁹ Population size estimates in the strategic plan 2017-30 documents 132,000 FSW whereas AEM Spectrum 2023 estimates only 67005. Post COVID-19 non-venue-based sex work has reportedly increased (Field-based CSO)

transactional sex with men in the past 30 days, and around 40% reported using amphetamine-type stimulants, possibly leading to less safe behaviors that increase the risk of HIV transmission. The availability and accessibility of free condoms and lubricants are limited, comprising largely out-of-pocket expenses. Condom use among men who have sex with men ranges from 78% in Thailand to 35% in Lao PDR, while condom use by people who inject drugs in Thailand is 40% and 52% in Viet Nam.

- *Insufficient size estimates and unreliable data affect target setting for key populations to be reached:* In the three countries, local mapping and size estimates are missing in most places, hindering accurate target definition. Furthermore, data discrepancies between various strategic and operational plan documents (including population size, prevention coverage, incidence, etc.) limit the ability to develop a reliable strategy.³⁰
- *Financial constraints:* While resource allocation for prevention programs comprises 14% of the total HIV budget in Thailand, only 4% was devoted to prevention interventions for key populations, which contribute to more than 60% of new cases. In Viet Nam, insufficient resources are allocated for HIV prevention among key populations due both to limited resources and competing priorities.

Suboptimal linkage with antiretroviral treatment

The percentage of people living with HIV that are receiving antiretroviral treatment in 2022 reached 90% in Thailand, 81% in Viet Nam, and 77% in Lao PDR compared to the 95% UNAIDS 2025 goal. The main root cause for gaps in treatment is delays in applying the same-day antiretroviral treatment policy.³¹ In Thailand in 2022, nearly 39% of people living with HIV had started antiretroviral treatment (ART) after more than 28 days³² and the same-day initiation was 28%. In the same year in Lao PDR, the same-day initiation rate was 22%.

In Thailand, stigma, fear of side effects, and concerns related to health insurance are being cited as some causes of the delays. Healthcare facilities lack initiative to schedule a same-day ART service initiation, as clinicians express concerns surrounding ARTs for those with low CD4 count. In Lao PDR, challenges persist in ensuring access, with limited ART sites, primarily concentrated in central and provincial hospitals. CBOs in Lao PDR lack linkages to treatment indicators making it difficult to evaluate their contribution. Multi-Month Dispensing for people established on ART at community-based clinics, as well as home visits and psycho-social support for PLHIV families have been included in HANSA II project in GC7.

In Viet Nam, the antiretroviral treatment uptake rate among men who have sex with men increased from 21% in 2020 to 32% in 2022, but remains far from the 90% target. Previously, antiretroviral treatment was only available at the centralized provincial and national levels, making it difficult for some people to access treatment.

As a consequence of lack of proximity, in 2022, adult and child death due to HIV in Thailand, Viet Nam and Lao PDR was 11,000, 4,100 and 500, respectively. In Thailand, 32% of people living with HIV who died of AIDS in 2021 had never been enrolled on antiretroviral treatment.

For Thailand and Viet Nam, the Global Fund Secretariat is addressing the risks raised as part of GC7 grants. The Secretariat is prioritizing the most efficient use of available funds, and has therefore

³⁰ As per Thai National AIDS Program Review 2022, comprehensive HIV prevention coverage among key populations varied from FSW 82%, MSM 50% and PWID 32% while the Operational Plan to End AIDS in Thailand 2023-2026, reports different data among FSW 23%, MSM 64.8%, and PWID 23.5% revealing huge discrepancies in data at the national level.

³¹ The WHO recommends same-day initiation of antiretroviral treatment for all persons diagnosed with HIV and ready to start treatment

³² HIV Thai National AIDS Program Review, page 29

accepted the risk of not investing grant funds in Integrated Biological and Behavioral Surveys (IBBSs) for Lao PDR under GC7.

4.2 Limited TB case finding prevents countries from achieving national and grant targets

Despite the steady decline in TB incidence and mortality in the past decade, Viet Nam and Thailand remain among the 30 countries with the highest TB burden worldwide. Limited community-based TB screening and underutilization of GeneXpert platforms are affecting the countries' ability to control the TB epidemic.

TB incidence in all three countries has steadily fallen during the past decade. Between 2010 and 2021, Thailand, Viet Nam and Lao PDR reduced TB incidence by 21%, 25% and 35% respectively and deaths were reduced by 31%, 36% and 49%.³³

National TB policies exist in the three countries to coordinate TB prevention, diagnosis, and treatment. The three countries had detailed mid-term TB reviews and an effective PPM³⁴ initiative, which ensures patients diagnosed with TB in private clinics or non-TB settings are reported to the national system for appropriate care. In Viet Nam, drug-sensitive TB (DS-TB) and drug-resistant TB (DR-TB) treatment success rates have improved using shorter regimens. To strengthen TB detection after the COVID-19 pandemic, a TB screening tool using QR codes was developed. Under the scheme, people can scan a QR code to self-screen for TB risks and are encouraged to visit the nearest medical facility for early TB examination and detection.

Despite the progress made, Thailand and Viet Nam remain among the 30 high TB burden countries with a decline in TB notifications due to challenges in locating missing TB and MDR-TB cases. The case detection rates³⁵ for all forms of TB in 2022 in Thailand and Viet Nam were 65% and 59% respectively, against the target of 90%. This means that fewer people are notified and put on treatment. Consequently, the goal to reduce TB incidence per 100,000 population from 171 in 2014 to 88 by 2021 in Thailand was not achieved. The incidence now stands at 143, and the RR/MDR-TB case notification indicator performance is at 46%. Viet Nam's goal was to reduce TB incidence per 100,000 population from 182 in 2018 to 131 in 2020. However, the incidence as of 2022 was 173 cases. In Lao PDR, due to the delay in the initiation of treatment of the TB cases, deaths within one month of TB treatment were consistently high (i.e., 68% in 2021 and 73% in 2022).³⁶

Apart from the COVID-19 pandemic, which slowed case notification efforts, underutilization of community-based TB in contact tracing, suboptimal utilization of GeneXpert machines, difficulties in leveraging PPM, and lack of a recent prevalence survey to guide strategies contributed to the case detection challenges.

- Underutilization of community-based TB in contact tracing: In Viet Nam, practices vary considerably among facilities. While some, like Thoi Lai District Hospital, have policies and training in place for contact tracing, others, such as Can Tho General Hospital, do not practice contact tracing consistently. The inadequate feedback channel between national policymakers and community health workers makes it difficult to address challenges at the peripheral level promptly. Quality control and assurance mechanisms for screening are weak or non-existent in certain areas, leading to results (crucial for effective TB prevention) being unreliable.

In Thailand, contact tracing is carried out by community health workers, social workers, and village health volunteers in selected provinces. However, one million village health volunteers who can play a potential role in addressing TB – including by supporting demand generation for

³³ www.who.int/teams/global-tuberculosis-programme - accessed on 15 November 2023

³⁴ See footnote 1

³⁵ Case detection means that TB is diagnosed in a patient, reported within the national surveillance system, and then linked to treatment

³⁶ Data Quality Assessment (DQA) in DHIS2 (2019-2022)

TB screening among sub-urban and slum areas, remote populations, areas for migrants, and other risk groups – are not leveraged. Contact tracing for undocumented migrants is fully funded through the Global Fund and the contribution to the TB case notification was 59%³⁷ among migrants.

In Lao PDR, health facility staff lack the necessary capacity³⁸ for systematic TB screening among household contacts. This contributed to missing cases and delayed diagnosis, resulting in patients being put on treatment at an advanced disease stage. These challenges are due to overburdened healthcare staff, absence of standardized tools or guidelines on contact tracing, inadequate training, supervision, and limited resources allocated for contact tracing.

- Challenges in leveraging PPM:³⁹ The missed opportunity to leverage the PPM approach for collaboration in Viet Nam results in fragmented care. Most of the private facilities involved at the peripheral level provide TB symptom testing, but do not offer diagnostic TB tests such as X-ray and GeneXpert, limiting a more comprehensive and integrated approach to TB control. This is mainly due to the absence of clear guidelines or strategies on how to effectively integrate PPM into TB control efforts. In Thailand, the collaboration with the private sector on TB case notification is governed by law, requiring private service providers to notify the Ministry of Health of TB cases. There is, however, no mechanism to monitor compliance with this requirement, resulting in low case notification by private sector providers.
- Delays in deployment of GeneXpert machines limit their utilization: In Viet Nam, the TB program employs the “Strategy 2X” approach, through which chest X-rays provide the first TB indication followed by GeneXpert testing. This strategy is highly effective for detecting both active and latent TB in communities and health facilities. GeneXpert machines are underutilized at point-of-care diagnostic centers. While a total of 180 modules were replaced in the first 10 months of 2022, there were subsequent distribution challenges. For instance, there was a backlog for eight of 38 Truenat machines⁴⁰ and 30 of 98 GeneXpert machines were still in the National TB Program warehouses and were yet to be distributed to the units.

In Thailand, delayed and conjectured deployment of GeneXpert machines resulted in suboptimal utilization, with 54 machines secured for 2023 yet to be installed. Reimbursement by the National Health Security Office for GeneXpert tests at health facilities is less than the cost of the test, causing a disincentive for scaling up GeneXpert tests to more suspected TB cases and for increasing TB notifications.

The Global Fund Secretariat has declined an agreed management action (AMA) for this finding. In preparation for the GC7 application, joint TB program reviews were conducted in the three countries and the interventions to improve TB case findings have been prioritized as part of GC7. The use of CXR⁴¹ for TB screening, WRD for initial diagnosis, as well as PPM and community-based programming were prioritized based on the country context. The Global Fund Technical Review Panel and Grants Approval Committee agreed with the prioritized interventions and approved all the three funding requests in 2023.

³⁷ The latest reported as of March 2023

³⁸ Evaluation of Global Fund Investments through the Health and Nutrition Services Access Project, Dec 2022

³⁹ See footnote 1

⁴⁰ Truenat® MTB-RIF Dx. Chip-based Real Time PCR Test for Rifampicin Resistant Mycobacterium tuberculosis

⁴¹ CXR is a sensitive tool for screening for active TB

4.3 HIV/TB collaboration and TB preventive treatment scale-up are needed to decrease the burden of TB and HIV in people at risk of or affected by both diseases

Thailand remains among the 30 countries with the highest TB/HIV coinfection worldwide. Both limited collaboration between TB and HIV programs and limited scale-up of TB preventive treatment are affecting the countries' ability to control the TB pandemic.

Reducing morbidity and mortality from HIV-associated TB requires strong collaboration between TB and HIV services at all levels with integrated people-centered models of care.⁴² The inability to implement the mechanisms for delivering integrated TB and HIV services and the difficulties in scaling up TB preventive treatment are hindering improved TB/HIV collaboration.

A need for a better TB/HIV collaboration to achieve the intended impact

Thailand continues to be on the global list of 30 countries with high burden of TB/HIV coinfections.⁴³ WHO established a policy on collaborative TB/HIV activities to help countries mitigate the dual burden of TB/HIV on populations at risk of or affected by both diseases. These collaborative activities include:

- Starting and strengthening the mechanisms for delivering integrated TB and HIV services;
- Reducing the burden of TB in people living with HIV by initiating early antiretroviral therapy; and
- Reducing the burden of HIV in patients with presumptive and diagnosed TB.

Inadequacies in these three areas were found in the three countries as highlighted below:

- *A need to strengthen the mechanisms for delivering integrated TB and HIV services:* In Thailand, a national TB/HIV integration committee was established in 2016. However, no evidence of these coordination meetings was available. In Viet Nam, coordination between HIV and TB programs is not adequate, resulting in underutilized budgets for TB/HIV collaboration activities. Some budget line items for TB/HIV have not been used. TB and HIV services are offered in separate facilities, causing inefficiencies and coordination lapses.
- *Challenges with reducing TB burden in people living with HIV by initiating early antiretroviral therapy:* In Thailand, the HIV testing of patients with presumptive and diagnosed TB was 88% in 2021, while latent TB testing (LTBI) of people living with HIV was 14% in 2021. There were no guidelines available in Viet Nam for intensified TB case finding among people living with HIV, resulting in non-systemic testing among this population. In Viet Nam, the uptake of antiretroviral treatment among TB/HIV co-infected individuals is 65% in 2022, below the optimal target of 95%.
- *Challenges with reducing HIV burden in patients with presumptive and diagnosed TB:* The existing methods for monitoring cascade data on TB screening, diagnosis, and treatment among people living with HIV and HIV testing among TB patients, TB/HIV referrals, and antiretroviral treatment among TB/HIV patients are inadequate and not standardized due to resource constraints. Health facilities in some regions are not fully aware of, or trained on, newer treatment protocols, leading to non-compliance.

Consequently, there was low performance for HIV/TB-related performance indicators in Thailand and Viet Nam. There is about a 17% mortality rate for persons with both HIV and a diagnosis of TB in

⁴² Collaborative tuberculosis/HIV activities, European Respiratory Society article, October 2020 <https://openres.ersjournals.com/content/erjor/7/1/00721-2020.full.pdf> - accessed on 02/12/2023

⁴³ Global TB Report 2022, page 41

Thailand.⁴⁴ In Viet Nam, the estimated number of people who developed TB and were coinfecting with HIV stood at 5,600 in 2020, remaining unchanged since 2016.

Limited scale-up of TB preventive treatment due to insufficient promotion and resource constraints is affecting the TB response

TB preventive treatment (TPT) given to people at highest risk of progressing from TB infection to disease remains critical to achieving the global targets of the WHO End TB Strategy. Viet Nam reported that nearly 49% of new HIV patients in 2020 received TPT, while in Thailand the TPT uptake was 4% amongst people living with HIV versus the 90% goal.

Consequently, the goal to reduce TB incidence per 100,000 population from 171 in 2014 to 88 by 2021 was not achieved. Viet Nam aimed to reduce TB incidence per 100,000 population from 182 in 2018 to 164 in 2021. However, the incidence as of 2022 was 173 cases. In Lao PDR, deaths within one month of TB treatment were consistently high (i.e., 68% in 2021 and 73% in 2022).⁴⁵

The main obstacles in Viet Nam include the suboptimal TPT coverage among people living with HIV due to medical staff hesitancy to provide TPT as a result of insufficient promotion and training. The TB National Strategic Plan recommends recording/reporting of all people living with HIV screened at each visit for TB and ensuring all those eligible are provided with TPT. However, there are no TB guidelines pertaining to TPT in the facilities visited by the OIG. The COVID-19 pandemic also impacted implementation efforts affecting the scale-up of TPT.

In Thailand, as of October 2023, no training for TPT in PLHIV was conducted for the medical doctors who provide/prescribe TPT testing and treatment. Healthcare providers' insufficient confidence with regards to TPT efficacy, safety, and the risk of Isoniazid Resistance hampers TPT prescription and uptake. Medical practitioners' resistance to using TPT is also affecting the scale-up of TPT in the country.⁴⁶ The Ministry of Public Health developed a new TPT guideline in 2023 but it is yet to be printed and disseminated among medical practitioners.

The Global Fund Secretariat has declined an agreed management action (AMA) for this finding. The Secretariat acknowledges the gaps in performance in managing TB/HIV coinfection, especially on scale-up of TPT identified in the audit report. The Secretariat accepts the residual risk considering the burden of TB/HIV coinfection in these three countries and the limited ability to influence measures aimed at strengthening the joint management of TB/HIV coinfection. The Secretariat is prioritizing efforts to implement approved GC7 grant investments to find missing TB cases and scaling up targeted HIV prevention programs.

⁴⁴ Report of the 6th Tuberculosis Joint International Monitoring Mission Thailand, 2022

⁴⁵ Data Quality Assessment (DQA) in DHIS2 (2019-2022)

⁴⁶ Thai National AIDS program review, 2022

4.4 Improvement needed in the programmatic and financial sustainability of HIV and TB programs in the three countries

While Lao PDR, Thailand, and Viet Nam have increased their annual government spending on co-financing, the three countries had not demonstrated meeting their co-financing requirement for GC6 at the time of the audit.⁴⁷ The three countries face challenges in implementing equitable people-centered health systems, creating barriers to healthcare access.

The Global Fund has guidelines for co-financing that include the conditions for countries based on their economic capabilities. Governments in the three countries largely finance HIV and TB treatment with support from the Global Fund. The Governments of Thailand and Viet Nam are the main investors in the national TB response, providing 63% and 86% of the funding, followed by the Global Fund at 14% and 37% respectively.⁴⁸ Despite progress made, the challenges in implementing equitable people-centered health systems and the inability to meet co-financing commitments pose sustainability risks for TB and HIV programs in the three countries.

Challenges associated with implementing people-centered health systems are affecting program sustainability prospects and the ability to maximize equitable access

Thailand is reducing stigma and discrimination among health facility staff through various initiatives, including establishing a crisis response system for grievance redressal in stigma and discrimination cases. To strengthen sustainability, Viet Nam is working to include HIV services in its national health insurance with the hope of reducing stigma and discrimination of people living with HIV. The country has scaled up social health insurance coverage to cover TB services.

The domestic resources in the three countries support clinical services, but community-led services depend largely on external funding. Some of the crucial interventions (e.g. TB/HIV co-infection diagnosis and treatment) or particular target groups (e.g. undocumented migrants, stateless people, and refugees) are largely dependent on external or donor funding. Thailand's national insurance committed funding for prevention activities, but few civil society organizations are able to access these funds due to the Government's stringent administrative requirements.⁴⁹

Complex procedures for social health insurance registration and National Identity requirements create barriers to accessing healthcare in Viet Nam and Thailand. Free TB diagnosis and treatment have been stopped for the uninsured (15% of affected individuals), and the insured individuals need co-payment requirements to access full TB care in Viet Nam. In Lao PDR, out-of-pocket payments for HIV and TB were at 29% in 2021.⁵⁰

These structural barriers continue to impede access to healthcare services for key population groups. For instance, access to social health insurance benefits – such as antiretroviral treatment and prevention commodities – often necessitates the presentation of identity cards, hindering access for key population groups and undocumented migrants. In Lao PDR, lack of coverage for TB and HIV screening/testing and treatment under the National Insurance Health Bureau, coupled with out-of-pocket expenses and funding shortages, hampers the sustainability of healthcare services.

The audit also noted that stigma and discrimination continue to be a challenge. In Viet Nam, the 2021 Stigma Index survey⁵¹ shed light on critical gaps in the implementation of measures to combat

⁴⁷ For Thailand, the due date for the Government to submit GC6 performance against commitments is 31 March 2024 (as per the grant requirement signed in December 2023)

⁴⁸ Funding Landscape Tables – Funding Request for NFM 3

⁴⁹ At least 70% of RRTTPR outreach workers/CHWs in each implementation site or organization need to be certified by DAS with 50 hours of training and an 80%-mark pass with revalidation every two years

⁵⁰ National Health Account Report – 2020/2021

⁵¹ Stigma Index should analyze the stigma and discrimination currently faced by people living with HIV, and establish what positive and/or negative changes – if any – have taken place in recent years.

stigma and discrimination. These findings, however, have not been widely disseminated among implementers, including service providers and healthcare facilities visited during the audit. The programs lack the necessary information to develop and implement inclusive strategies that address the evolving needs of key population groups due to the outdated bio-behavioral surveillance survey. Criminalization of sex work also poses a challenge to easy access to HIV prevention and treatment programs in the three countries.

Inability to meet co-financing commitments is impacting effective grant implementation

The three countries may not be able to access the full allocation from the Global Fund if they do not demonstrate meeting the required increase in co-financing from GC5. Not meeting the co-financing commitments widens the funding gap and impacts effective implementation of the grants and the countries' ability to achieve a prioritized response against HIV and TB.

Lack of formal and regular tracking and reporting of expenditure on co-financing agreed with the countries affects the fulfilment of co-financing requirements. In Thailand, the spending on HIV is obtained from the National AIDS Spending Assessment (NASA), which is only done once every two years. In Viet Nam and Lao PDR, no defined plan of disbursing funds under co-financing to meet the commitment has been developed. While co-financing commitments are expressed in monetary terms, clear linkage lacks between the financial commitments and programmatic priorities in Viet Nam due to failure to cost the programmatic commitments.

As per the Global Fund co-financing guidelines on risks, countries should proactively identify and address any risks associated with commitments and make efforts to mitigate these risks. However, there is no formal risk identification and management related to co-financing commitments in the three countries reviewed.

For upper middle-income countries and/or lower middle-income countries with low disease burdens, the Global Fund encourages a national sustainability and transition planning process that would ideally be informed by a transition readiness assessment or equivalent analysis.⁵² Sustainability and transition plans were, however, not available for Viet Nam although the Global Fund has scaled down investments in these countries.

The Global Fund Secretariat acknowledges the above risks on sustainability in Southeast Asia, and stated it is committed to approaching this complex topic in an intentional and considered manner, working closely with its Committees and the Board. The Secretariat, however, did not propose an agreed management action (AMA) on sustainability specific to the three countries given the organization-wide discussions on sustainability that are ongoing.

⁵² The Global Fund Sustainability, Transition and Co-financing Guidance Note, December 2022

4.5 Improvement is needed in implementing the HANSA project in Lao PDR

One of HANSA's⁵³ project goals is to reduce the number of TB and HIV cases by supporting resilient and sustainable systems for health (RSSH) in collaboration with partners. However, challenges of effective service integration, coordination, and timely data verification remain.

The Government of Lao PDR received a loan of US\$22 million from the World Bank's International Development Association (IDA), and grants of US\$10 million and US\$3 million from the Global Fund and the Department of Foreign Affairs and Trade of Australia, respectively for the five-year HANSA project. The Global Fund uses the Payment for Results (PfR)⁵⁴ approach for HANSA, which started in July 2020 and is expected to close on June 2024. Laos HANSA is a specific type of blended finance transaction, referred to as "parallel co-financing" and approved under the World Bank-Global Fund Framework Agreement.⁵⁵

The Global Fund's investment through the HANSA 1 project aims to integrate the primary health care system at the health center level, increase TB notification and TB treatment coverage, and increase coverage of both HIV testing among key populations and HIV treatment. HANSA 1, implemented in GC6, has fostered ownership at the subnational level more effectively than previous initiatives, especially for the TB response. An evaluation of the HANSA 1 project was performed, and the lessons learnt were used to inform the design of HANSA 2, which will be implemented in GC7. Technical assistance will be provided through WHO, CHAI and UNAIDS to support TB and HIV programs. For example, the technical assistance provided by partners aims to align procurement cycles with domestic funding schedules, minimizing the risk of stock-outs and ensuring consistent availability of essential medications.

Despite the progress made with the HANSA 1 project, absorption of Global Fund grant funds stood at 58% as of December 2022. A chief cause was the COVID-19 pandemic, which disrupted project activities such as supervision and follow-up activities. This led to significant setbacks in the progress of HANSA 1, including the integration of TB and HIV services. Aside from the COVID-19 pandemic, some root causes of the project activity implementation delays include inadequate coordination and oversight, and data challenges, as detailed below:

- Lessons from HANSA 1 emphasize the importance of a holistic approach, mobilizing resources beyond health sectors, and fostering inclusive partnerships. Results-Based Financing (RBF) in HANSA offered flexibility but raised concerns about capacity and accountability, necessitating a careful evaluation of local capacities for efficient implementation and transparent reporting. Addressing these challenges is crucial for the effective integration and sustainability of HIV/TB programs in Lao PDR.

HANSA 1 aimed to enhance the integration of disease-specific programs within the national healthcare landscape. Significant hurdles faced include insufficient funding and inadequate allocation of resources at the primary healthcare level. Lengthy administrative procedures to process disbursements by the Ministry of Health led to delayed release of funds. This partially affected the availability of essential diagnostic and trained personnel necessary for the effective diagnosis and management of TB and HIV cases.

⁵³ The Health and Nutrition Services Access (HANSA) programme is co-financed through a World Bank IDA loan and grants from the Global Fund and the Australian Department of Foreign Affairs and Trade

⁵⁴ PfR is a form of financing in which payments are contingent on the verification of predetermined results

⁵⁵ Parallel co-financing is when Global Fund and partner organizations fund different/complementary components; the Global Fund signs its own Grant Agreement and disburses directly to a Principal Recipient, as per the Partners' Results Framework and the Global Fund's Performance Framework agreed with both the partner organization and the Principal Recipient.

- *Coordination and oversight challenges between different healthcare programs and among partners:* Collaboration between the technical departments and centers implementing HANSA (including TB and HIV centers) is hindered due to a lack of effective communication and information sharing. This lack of synergy prevents the seamless integration of services, leading to fragmented patient care and reduced overall impact.

The role of the Country Coordinating Mechanism (CCM) on the HANSA project is mainly to engage in implementation support missions for sharing information and seeking feedback from the project, as well as submission of the funding request. However, the CCM's role in the HANSA steering committee was not made explicit. This impacted the effectiveness of the CCM's oversight role on the project as a whole and provides an opportunity to strengthen engagement of the CCM on the HANSA project beyond HIV, TB, and malaria.

- *Absence of data baseline and data quality assurance pose a critical challenge for the HANSA project.* Lack of baseline data for many of the project development objective indicators during the project's inception phase posed benchmarking challenges. Issues with the independent academic institution (IAI), understanding of verification tasks, inconsistencies in verification reports, and weak Quality Assurance impacted the timely validation and utilization of the project's data. This lack of timely validated data not only affects decision-making processes but also undermines the ability to identify and address specific issues promptly for timely course correction.

The Global Fund Secretariat did not propose an agreed management action (AMA) for this finding as it would duplicate ongoing efforts. The Secretariat is prioritizing current efforts to implement recommendations from the recent Integrated Performance Framework (IPF) Deep Dive Assessment designed to improve the Lao PDR CCM's oversight and positioning function. The Secretariat has discussed the findings of this audit with relevant partners and will continue to work with the Government, HANSA partners and relevant stakeholders in Lao PDR to further enhance the CCM's governance and oversight role over the HANSA project.

Annex A. Audit Rating Classification and Methodology

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

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

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

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

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

Annex B. Risk Appetite and Risk Ratings

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

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

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

Global Fund grants in Thailand and Viet Nam: comparison of OIG and Secretariat risk levels

Due to the nature of this thematic audit, the OIG's focus was on programmatic aspects of the HIV and TB grants.⁵⁶ While OIG and Secretariat risk levels were aligned for the HIV program quality in Viet Nam, they differ for TB program quality for Viet Nam and Thailand, as well as for the TB in Viet Nam. Below is a summary of the considerations for the OIG's assessed residual risk ratings.

With regards to HIV, both countries made significant progress towards achieving the UNAIDS goal on HIV testing by 2022. Although slightly behind the 95% goal, there is a risk of losing these achievements as the incidence among key populations is growing due to challenges with HIV prevention and testing programs among these key and vulnerable populations.

The percent of people living with HIV who are on antiretroviral treatment in Thailand stands at 90%, and at 81% in Viet Nam in 2022, compared to the 95% UNAIDS 2025 goal. This is mainly due to the suboptimal linkage to treatment and the need for better HIV/TB collaboration.

Thailand and Viet Nam achieved a steady decrease in TB incidence and mortality in the past decade, but these were hindered in the past few years by gaps in case finding and a limited scale-up of TB preventive treatment. In Thailand, the goal to reduce TB incidence per 100,000 population from 171 in 2014 to 88 by 2021 was not achieved, while the RR/MDR-TB case notification indicator performance is at 46%. Viet Nam aimed to reduce TB incidence per 100,000 population from 182 in 2018 to 164 in 2021. However, the incidence as of 2022 was 173 cases.

Health financing risks - The three countries increased their annual government spending on co-financing. However, the countries may not meet the co-financing requirement for GC6 to unlock the full funding allocation from the Global Fund.

⁵⁶ Lao PDR is a focus country, and thus, a risk assessment is not required