



# Board of Directors of the End Malaria Fund

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Background and on-boarding  
July 2019



## CONTEXT AND OBJECTIVES

### Context

- His Majesty the King announced a plan to establish a malaria fund at the African Union
- Deputy Prime Minister convened an inter-ministerial working group to develop the concept
- Minister for Finance issued regulations for the Fund under the Public Finance Management Act
- Fund launched on 31 May 2019
- Board of Directors met in early June to discuss malaria situation in Eswatini

### Objectives

- Briefly provide additional background information on malaria (e.g., regional initiatives and financing)
- Review the structure and objectives of the Fund
- Discuss how the Board of Directors will operate and terms of reference for directors
- Discuss how the fund will operate on a day-to-day basis
- **Identify and assign responsibility for actions to be taken as immediate next steps<sup>1</sup>**

<sup>1</sup> Additional action items that need to be completed by people other than the Board are summarised at the end for reference



# AGENDA AND QUESTIONS FOR DISCUSSION

Thematic Area	Question for discussion	Page(s)
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## BACKGROUND

# WHAT DOES IT MEAN TO ELIMINATE MALARIA?



“ The **interruption of local transmission** (reduction to zero incidence of indigenous cases) of a specified malaria parasite species in a defined geographic area; **continued measures are required to prevent re-establishment of transmission.** ”

Does **not** include imported cases (e.g., from Mozambique)

**To be certified as having eliminated:** No local transmission for 3 years

BACKGROUND

WHAT IS THE TARGET DATE TO ELIMINATE MALARIA?



2030

*Region-wide<sup>1</sup>*



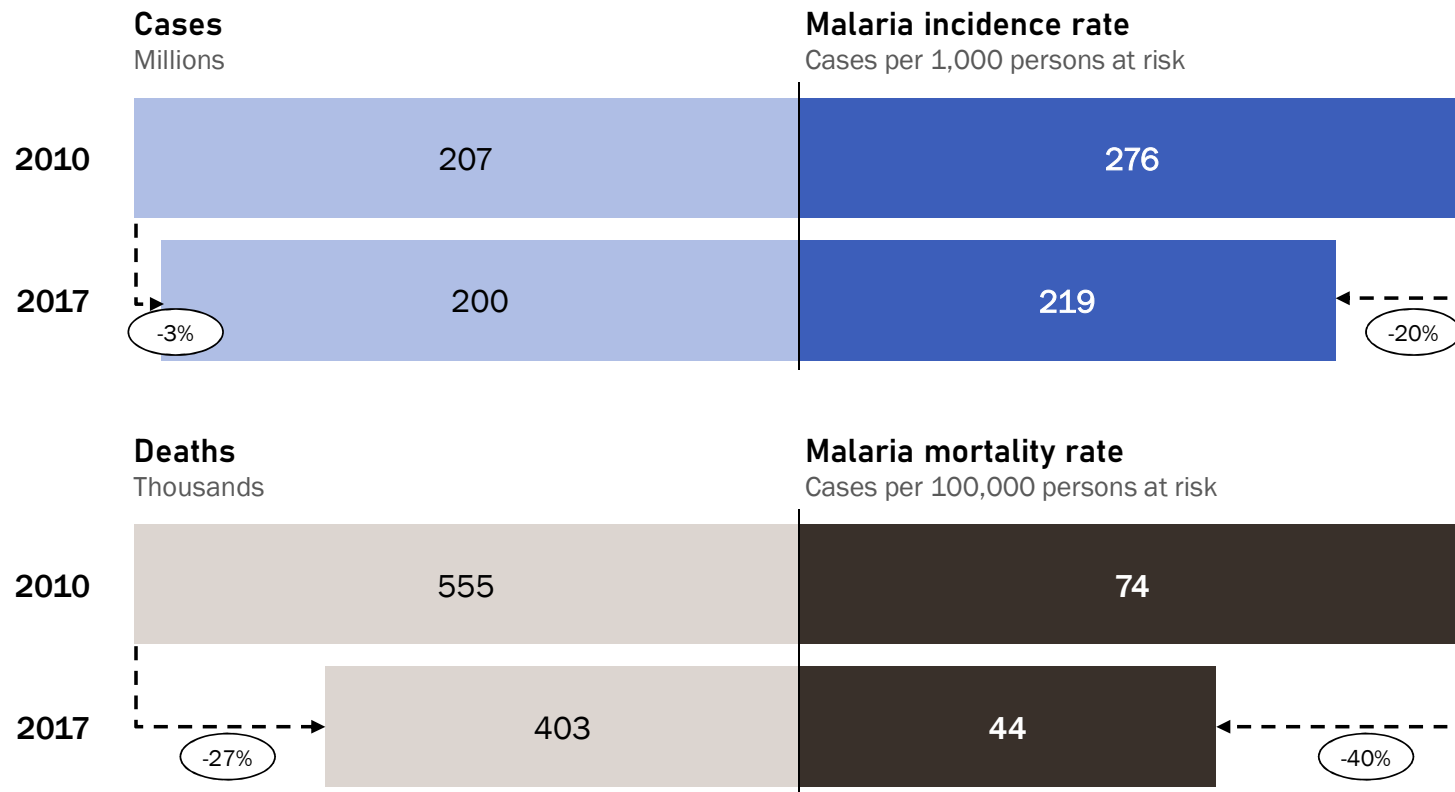
2022

*Kingdom of Eswatini*

<sup>1</sup> Catalytic Framework to End HIV/AIDS, TB and Eliminate Malaria in Africa by 2030

# WHAT IS THE STATUS OF MALARIA ELIMINATION AT THE REGIONAL LEVEL?

## BACKGROUND (1/2)



### Countries that have eliminated:

- Algeria (2019)
- Mauritius (1973)
- La Réunion (France) (1979)

### Countries without malaria:

- Lesotho (2012)
- Seychelles (2012)

SOURCE: WHO, World Malaria Report (2018); ALMA analysis

# WHAT IS THE STATUS OF MALARIA ELIMINATION AT THE REGIONAL LEVEL?

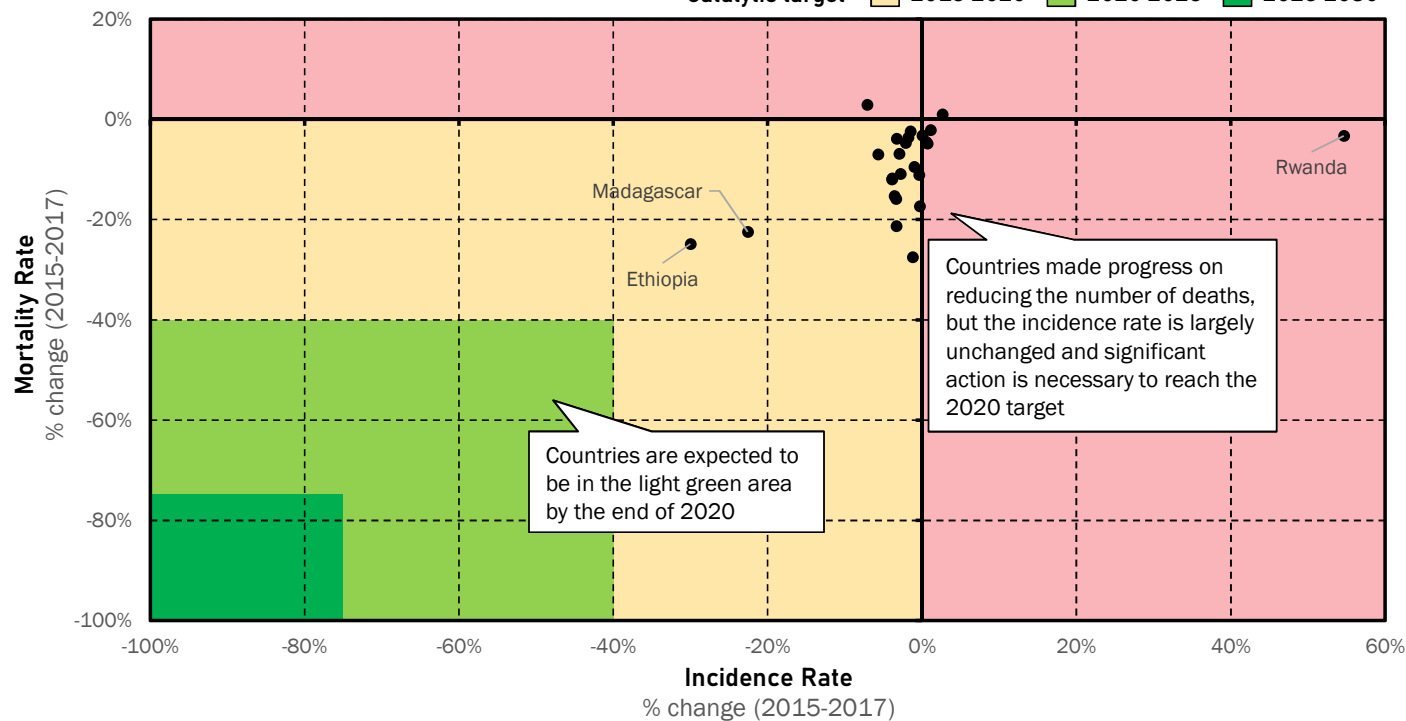
## BACKGROUND (2/2)



### Change in incidence and mortality rates versus Catalytic Framework targets (2015-2017)

25 African countries with the largest number of cases

Catalytic target = ■ 2015-2020 ■ 2020-2025 ■ 2025-2030



Cases in Eswatini increased by **361%** (from 157 to 724)

SOURCE: WHO, World Malaria Report (2018); National Malaria Programme; ALMA analysis



## BACKGROUND

# HOW IS MALARIA ELIMINATION FINANCED?



### External

### Domestic

Source



*Bilaterals*

*Philanthropies*

*Government*

Description

- |   |  |  |   |
|---|--|--|---|
| <ul style="list-style-type: none"> <li>• Global finance mechanism that mobilises donations for HIV/AIDS, TB and Malaria</li> <li>• Largest channel of funding for malaria</li> <li>• 3-year funding window</li> </ul> | <ul style="list-style-type: none"> <li>• Direct foreign investment by foreign governments</li> </ul> | <ul style="list-style-type: none"> <li>• Private philanthropic funding to support research, technical assistance, and fight malaria</li> </ul> | <ul style="list-style-type: none"> <li>• Public funding of the health sector through the Ministry of Health / National Malaria Programme</li> </ul> |
|---|--|--|---|

Comments

- |  |  |   |   |
|--|--|---|---|
| <ul style="list-style-type: none"> <li>• 6th replenishment is ongoing for 2020-2022</li> <li>• <b>Eswatini expects to receive very limited funding from the Global Fund following current grant</b></li> </ul> | <ul style="list-style-type: none"> <li>• Limited bi-lateral funding for malaria in Eswatini</li> </ul> | <ul style="list-style-type: none"> <li>• Often invests through pooling mechanisms like the Global Fund</li> </ul> | <ul style="list-style-type: none"> <li>• Available resources limited by constrained macroeconomic environment and government budgets</li> </ul> |
|--|--|---|---|

Significant focus on procurement of malaria commodities

Human resources, pub. hospitals

ILLUSTRATIVE



## BACKGROUND

# WHY INVEST IN MALARIA? (1/2)

### Private sector costs

### Public sector costs

Absent / sick workers

Diversion of spending

Public health sys.

Nat'l Programme

Cost avoidance

**2.5 days**

to care for sick family members

**25%**

of rural household spending to access health system

**30-50%**

of patients in the public health sector

**Millions**

of dollars for procuring commodities, HR, data systems

**7x**

cost of next-gen insecticides compared to current ones

**5+ days**

when the employee is sick

**Global investments in malaria generated a 36-to-1 return on investment**



## BACKGROUND

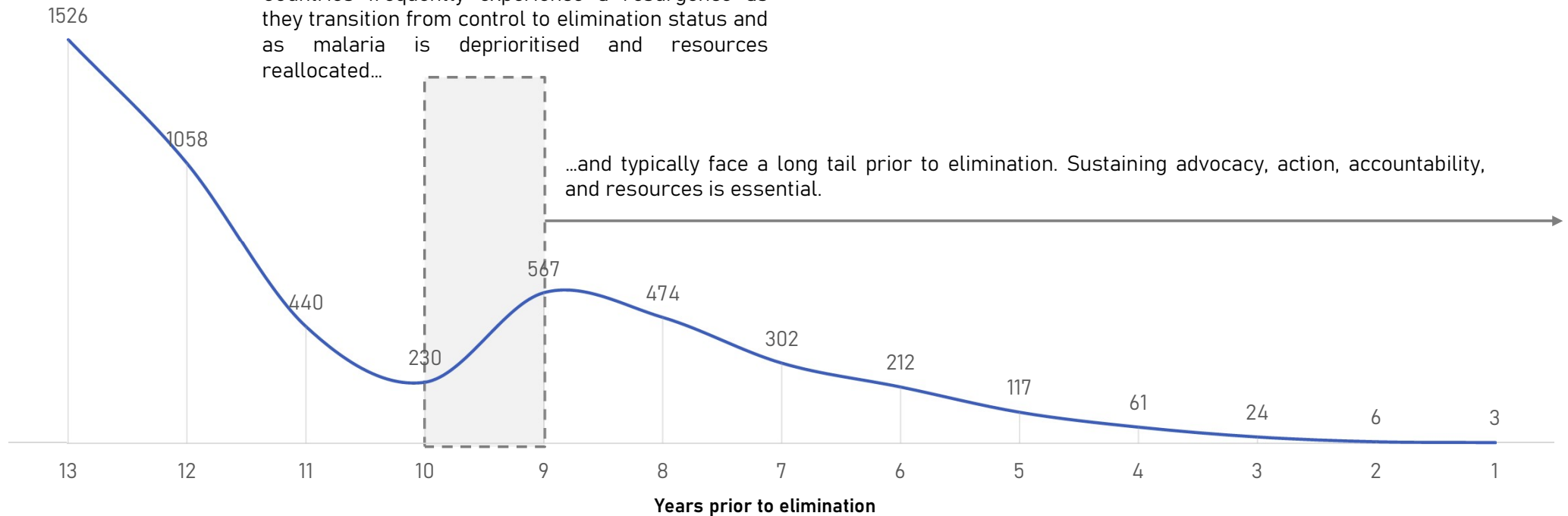
# WHY INVEST IN MALARIA? (2/2)

### Average cases by year prior to elimination

Domestic cases by year in countries that have eliminated

Countries frequently experience a resurgence as they transition from control to elimination status and as malaria is deprioritised and resources reallocated...

...and typically face a long tail prior to elimination. Sustaining advocacy, action, accountability, and resources is essential.



SOURCE: AU, Catalytic Framework to End AIDS, TB and Eliminate Malaria in Africa by 2030 (2015); WHO, World Malaria Report 2018 (Nov. 2018); ALMA

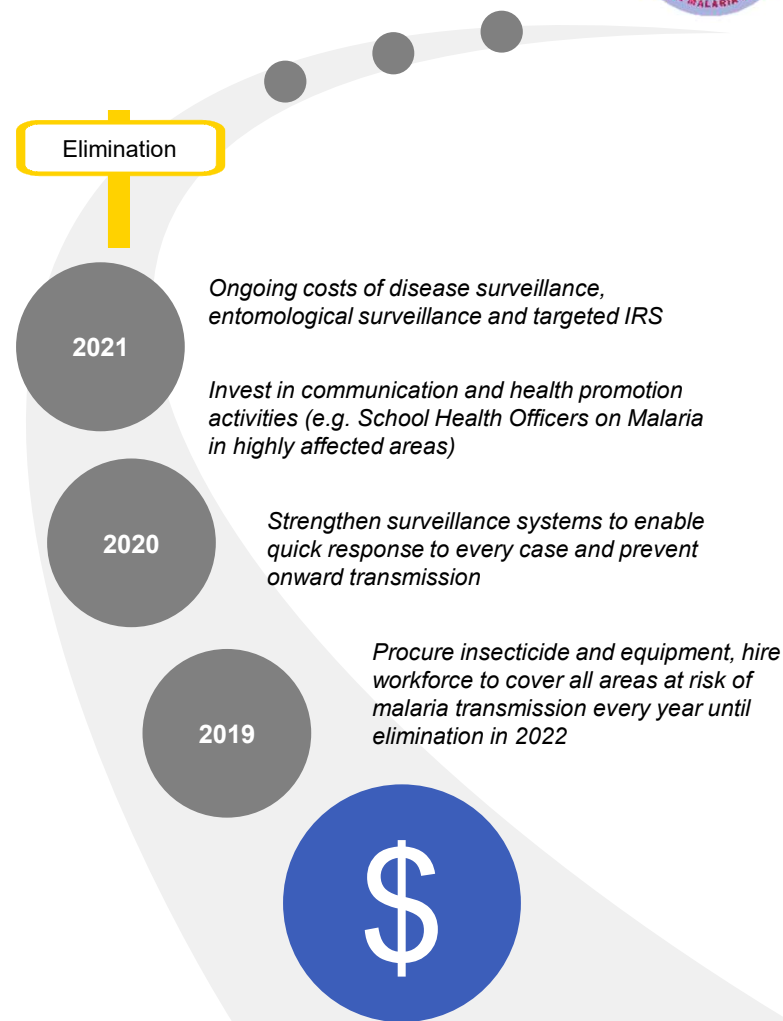


## BACKGROUND

# WHAT IS THE FUNDING NEED FOR ESWATINI?

### Forecast budget gap to eliminate malaria and sustain elimination in Eswatini

	Costs	Budget	Rationale
Cost to eliminate	Full IRS coverage	\$1,600,000	<ul style="list-style-type: none"> <li>To increase coverage to all areas at risk of malaria transmission and ensure rational use of insecticides</li> <li>Includes purchase of insecticide, spraying equipment, and seasonal workforce salaries</li> </ul>
	Disease & Entomological surveillance	\$1,600,000	<ul style="list-style-type: none"> <li>Includes operational costs of surveillance system to support responding to every case detected and preventing further transmission</li> <li>Also includes the hiring of five Environmental Health Professional officers</li> </ul>
	Communication & Health promotion	\$100,000	<ul style="list-style-type: none"> <li>Investment in communication and health promotion activities (e.g. School Health Officers on Malaria in highly affected areas)</li> </ul>
	Other costs	\$500,000	<ul style="list-style-type: none"> <li>Other costs may include infrastructure (e.g. the construction of a new building for the malaria programme to host strengthened surveillance programme)</li> </ul>
	<b>Total costs Until 2022</b>	<b>\$3,800,000</b>	Total Gaps \$1.25m per year
Ongoing costs	Disease & Entomological surveillance	<b>350,000 /year</b>	Running costs for disease and entomological surveillance
	Targeted IRS & Ad hoc interventions	<b>300,000 /year</b>	IRS, treatment, IEC
	<b>Total on-going costs</b>	<b>650,000 /year</b>	Total costs to prevent re-introduction of malaria





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## END MALARIA FUND

# WHAT IS THE END MALARIA FUND?

The End Malaria Fund is an independent trust fund managed by a multi-sectoral Board of Directors

Multi-sectoral board with representatives of the public and private sector and global community; private-sector chair

Administrative Secretariat provides support to Board





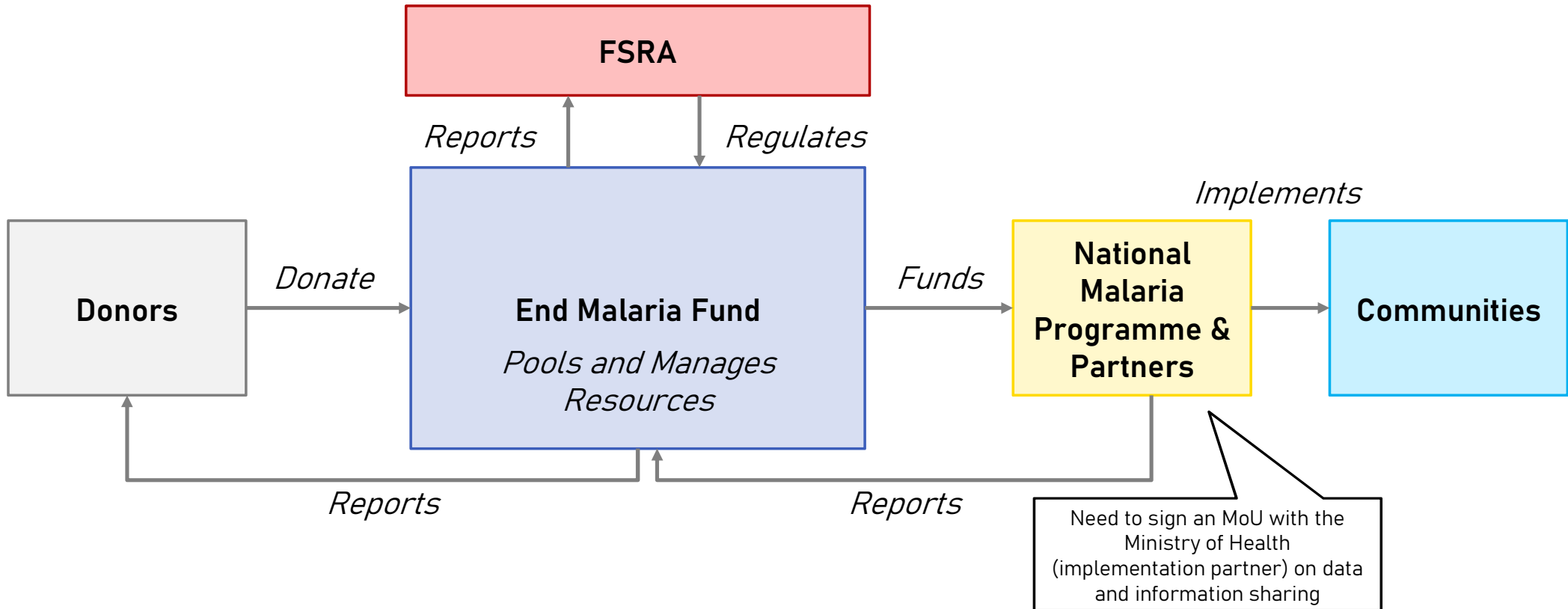
# WHAT ARE THE FUND'S OBJECTIVES?

Mobilise domestic and international resources necessary to:

- 1 Eliminate domestic transmission of malaria in the Kingdom of Eswatini by 2022
- 2 Sustain elimination thereafter through surveillance, testing, and case management
- 3 Support malaria elimination at the regional and sub-regional level

## END MALARIA FUND

# WHAT ROLE DOES THE FUND PLAY IN ESWATINI?







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## BOARD OF DIRECTORS

### WHAT IS THE AUTHORITY OF THE BOARD OF DIRECTORS?

The Board manages the fund, including its procedure, separate from the public health structure

The Board can take any lawful action without approval of another entity

The Board of Directors is the **independent management** of the Fund with the **authority to act** in furtherance of the **objects** of the Fund

The Board cannot take any *ultra vires* actions (enforced by FSRA)

## BOARD OF DIRECTORS HOW DOES THE BOARD ACT?



The Board of Directors primarily acts through **resolutions approved by the directors** during Board meetings or **in writing**.

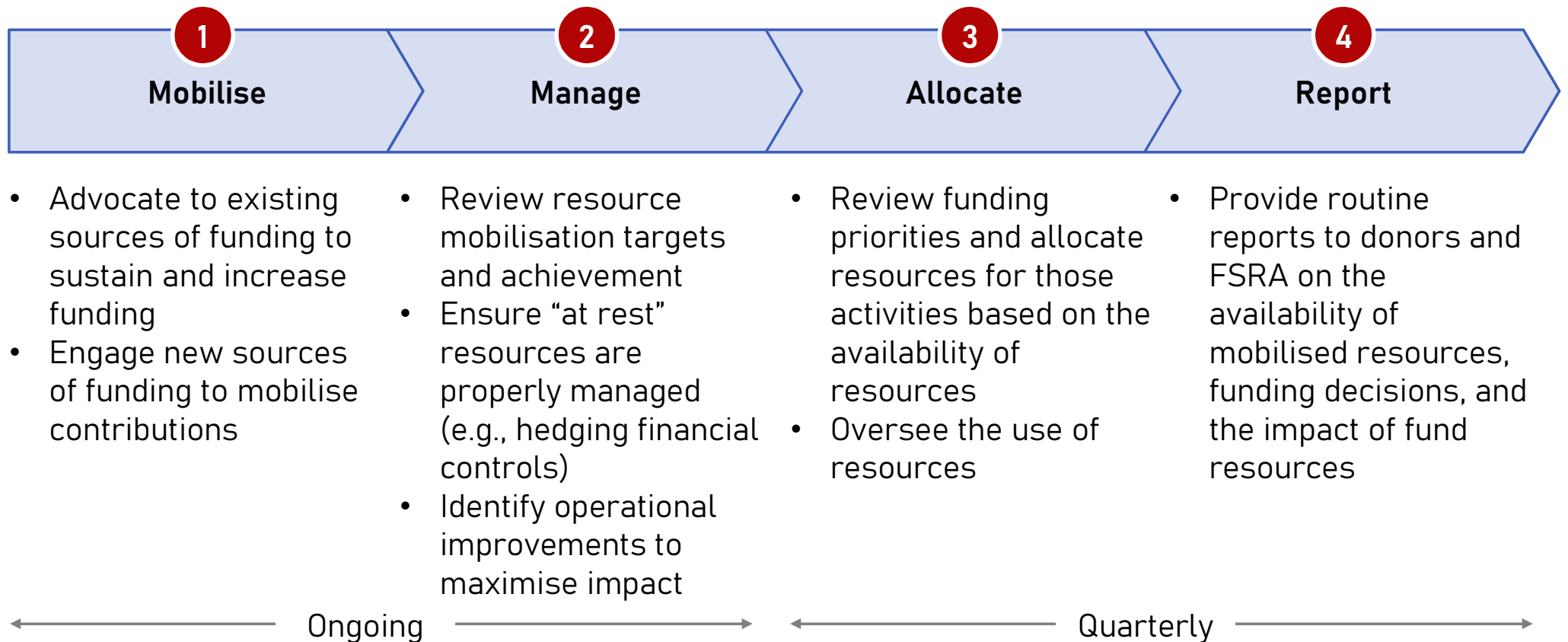
**Board members will also engage funders to mobilise resources and act as champions of malaria elimination**

Written resolutions can be used when necessary and the Board cannot be convened (e.g., emergency response to an outbreak)



## BOARD OF DIRECTORS

# WHAT ARE THE ROLES AND RESPONSIBILITIES OF DIRECTORS?





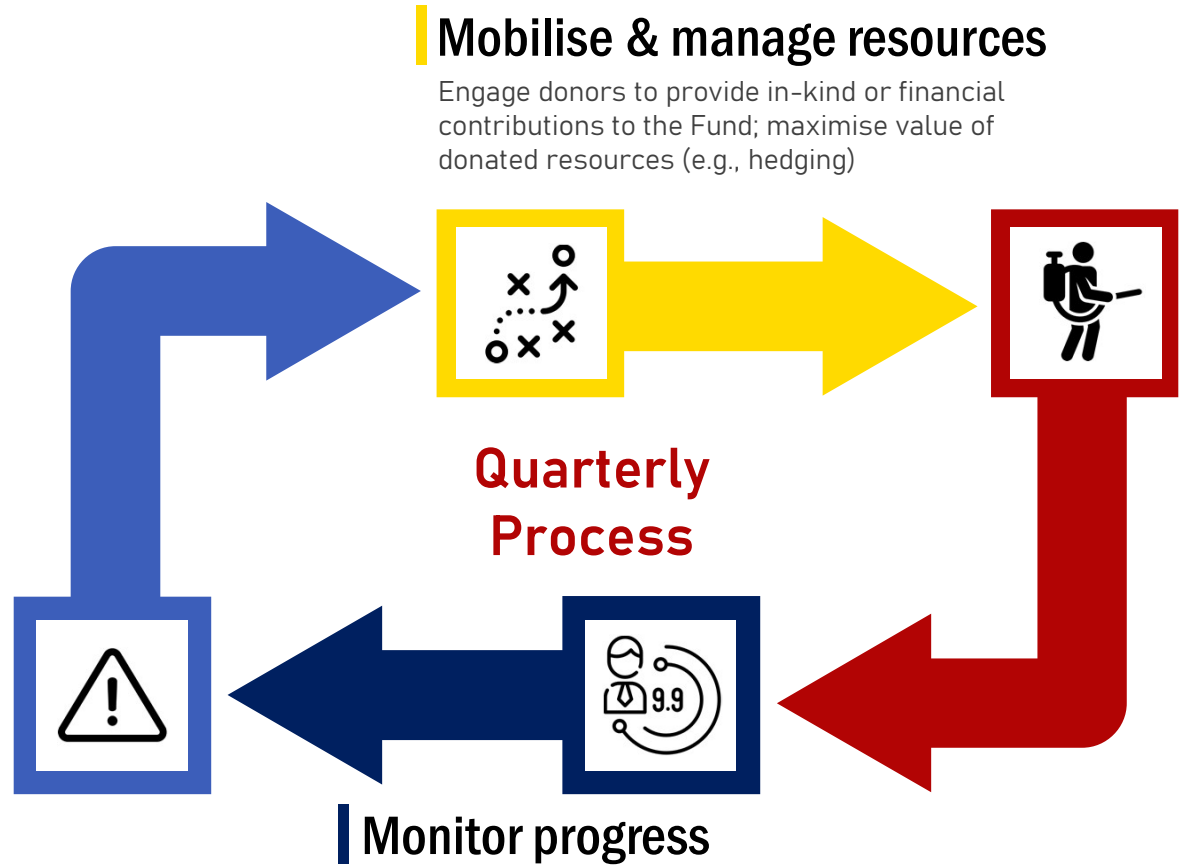
# BOARD OF DIRECTORS HOW WILL THE BOARD OPERATE?

## Identify gaps

Review scorecard, reports, and funding requests from the National Malaria Programme

**National Malaria Control and Elimination Scorecard**

Region	Programme & Reporting				Treatment		Local cases		Surveillance & Response	
	Overall coverage (%)	ACT coverage (%)	ITN coverage (%)	Case management coverage (%)	ACT coverage (%)	ITN coverage (%)	Reported cases	Confirmed cases	Response time (days)	Case management coverage (%)
Region 1	75%	85%	90%	80%	95%	90%	100	100	10	95%
Region 2	80%	90%	95%	85%	98%	95%	150	150	15	98%
Region 3	70%	80%	85%	75%	90%	85%	200	200	20	90%
Region 4	85%	95%	100%	90%	99%	98%	50	50	5	99%
Region 5	78%	88%	92%	82%	96%	92%	120	120	12	96%
Region 6	82%	92%	98%	88%	97%	95%	80	80	8	97%
Region 7	72%	82%	88%	78%	92%	88%	180	180	18	92%



## Mobilise & manage resources

Engage donors to provide in-kind or financial contributions to the Fund; maximise value of donated resources (e.g., hedging)

## Allocate funding

Allocate funding to activities on a quarterly basis based on resource availability and gaps

## Monitor progress

Review reports on implementation to ensure resources are used efficiently and for their intended purpose

The Chair will convene quarterly meetings to allocate funding and discharge other items of business



## BOARD OF DIRECTORS

# WHAT TOOLS AND OTHER RESOURCES CAN SUPPORT THE BOARD?

## National and sub-national malaria scorecard

Region	Objective 1: Diagnosis & Reporting	Objective 2: Treatment		Objective 3: Surveillance & Response				
	Cases notified within 24 hours	Uncomplicated cases treated according to national guidelines	Severe cases treated according to national guidelines	Local cases	Imported cases	Total deaths	Cases investigated within 48 hours	% of structures sprayed (IRS)
Swaziland	90%	100%	100%	83	211	1	90%	83%
Hhohho	97%	100%	100%	15	31	0	97%	87%
Lobamba	100%	100%		0	1	0	100%	
Mandlangempisi	100%	100%	100%	8	8	0	100%	74%
Mayiwane				0	0	0		83%
Mbabane East	↑100%	100%		0	10	0	100%	
Mbabane West	↑100%	100%	100%	1	2	0	↑100%	
Mhlangatane	↑100%	100%		0	1	0	↑100%	81%
Ndzingeni	↓50%	100%		2	2	0	↓50%	96%
Nkhaba	100%	100%		0	1	0	100%	
Ntfontjeni	100%	100%		1	2	0	100%	92%
Timpisini	↑100%	100%		2	2	0	↑100%	77%
Rich's Bank				0	0	0		

- The malaria scorecard goes down to the Tinkhundla-level
- The scorecard enables data-driven prioritisation of resources and tracking of impact
- The online platform also supports the tracking of workplans



## BOARD OF DIRECTORS

### WHAT POLICIES SHOULD THE BOARD ADOPT? (1/4)

#### Attendance and proxies

- Directors may attend / participate in Board meetings by **proxy** if:
  - **reasonable circumstances** prevent the director from attending; and
  - the circumstances and designation of a proxy is **communicated in writing** to the Board at least 24 hours prior to the meeting
- Any proxy may only participate to the extent authorised by the written communication
- Directors may attend **in-person** or via **telephone** or **video conference**

#### Anti-corruption

- Directors may not use their position on the Board for the Fund to **realise any gain** personally, for their family or for close associate (e.g., influence peddling)
- Directors or the Board shall not make any payments to any person or entity **except for a good or service actually rendered in furtherance of the objects of the Fund**
- Directors **shall report any corrupt acts** of which they become aware to the Attorney-General and FSRA



## BOARD OF DIRECTORS

### WHAT POLICIES SHOULD THE BOARD ADOPT? (2/4)

#### Conflicts of interest

- Directors must **disclose** any potential conflict of interest and **may not participate** in any matter before the Board if conflicted
- Interests includes any financial interest or any intangible benefit or cost likely to be realised **personally**, by a **family member**, or by any **other close associate**
- Any action taken by the board involving an interested director is **null and void**, unless all non-interested directors **unanimously approved** of the action or **cure the conflict by resolution**

#### Reimbursement policy

- Boardmembers may only be reimbursed for reasonable expenses incurred to discharge their duties
- The Board should adopt a written policy on what is reasonable, required documentation, prior approval, and maximum amounts
- Directors shall be liable to the fund for any non-reasonable expenses and reimburse the fund if an expense is later determined to be unreasonable





## BOARD OF DIRECTORS

### WHAT POLICIES SHOULD THE BOARD ADOPT? (3/4)

#### Rules governing distribution and use of resources

- All financial resources will be kept in the fund account
- No financial resources shall be distributed to any person except as authorised by a written resolution of the Board
- The Board may revoke and recover any financial resources if not used
  - by a pre-determined time; or
  - in accordance with the terms defined by the Board

**May need to enter into agreement  
with bank**

#### Risk registry

- Central repository of financial, legal, and operational risks maintained by the Board
- Risk are added on a rolling-basis when identified
- Assesses the size of exposures, nature of harm, and probability of occurrence
- Board reviews the risk exposures and defines mitigating actions
- Thresholds for acceptable levels of risk trigger pre-defined actions or board meetings
- Risks should be published quarterly



## BOARD OF DIRECTORS

### WHAT POLICIES SHOULD THE BOARD ADOPT? (4/4)

#### Annual operating budget

- The Board should adopt an annual budget for:
  - administrative (e.g., secretariat)
  - Board meetings
  - marketing
  - fundraising
  - audit
- The budget should be benchmarked against national and international best practices
- All operating expenses should be published publicly

#### Monitoring and evaluation framework

- The Board should define a set of leading and lagging indicators and targets against which it will evaluate its performance on a quarterly and annual basis
- Indicators and targets should be specific, measurable, attainable, relevant, and time-bound
- Quarterly and annual reports should include performance against these indicators



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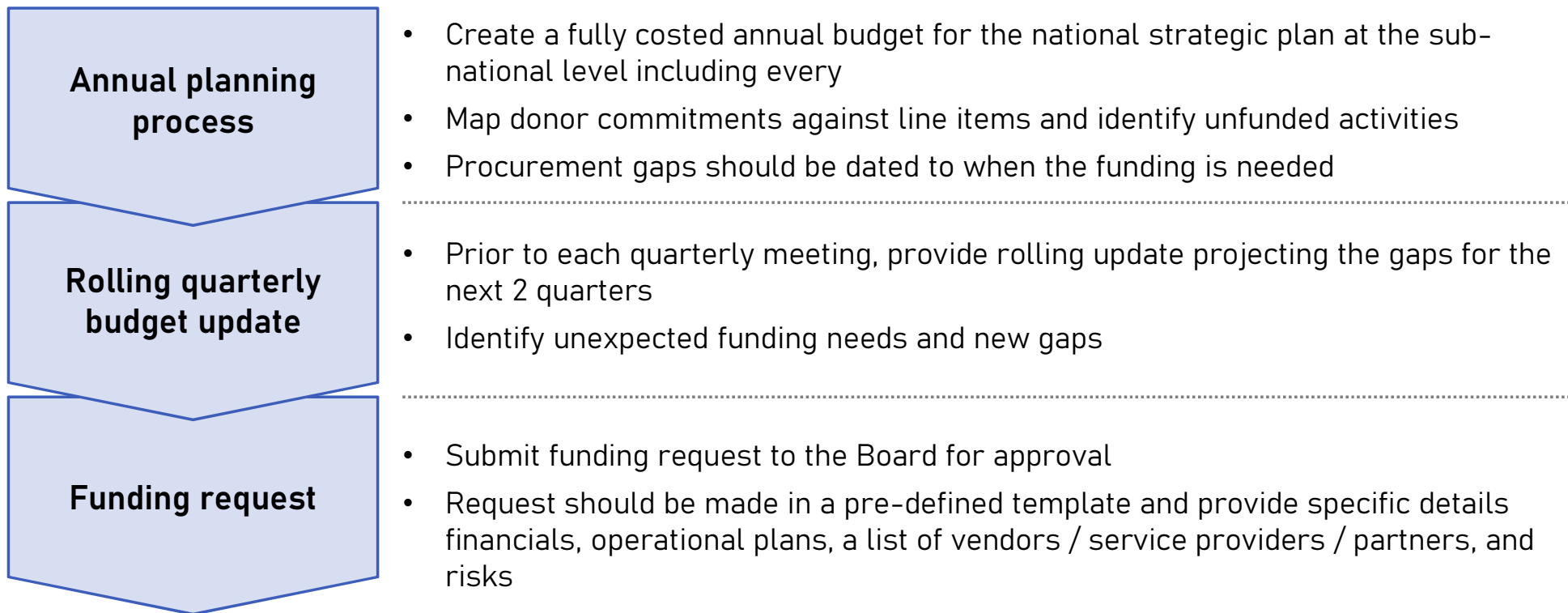
Action Items and Next Steps

## OPERATIONS

# HOW WILL FUNDING NEEDS BE IDENTIFIED?



The Fund should work with the National Malaria Programme to implement a consolidated budget and planning process



## OPERATIONS

### HOW WILL FINANCES BE TRACKED?



Can a member of the Board  
provide these capabilities  
in-kind

The Fund will need to set up a **financial system of record and financial processes** that are independent of the National Malaria Programme



## OPERATIONS

# A BRIEF COMMENT ON IN-KIND AND FINANCIAL CONTRIBUTIONS

### Unrestricted Financial Donation

- Most fungible resources
- Least burdensome reporting requirements
- Irrevocable gift

### In-kind Donation

- Less administratively burdensome for the Fund because NMP takes responsibility for coordinating execution
- Donor has direct visibility into use of assets
- Significant % of corporate social responsibility

### Ring-fenced Financial Donation

- Most restrictive
- Likely to have burdensome donor M&E and reporting requirements
- Should only be used if a donor is willing to sponsor a major initiative and donation should provide for administrative costs

Least restrictive /  
burdensome

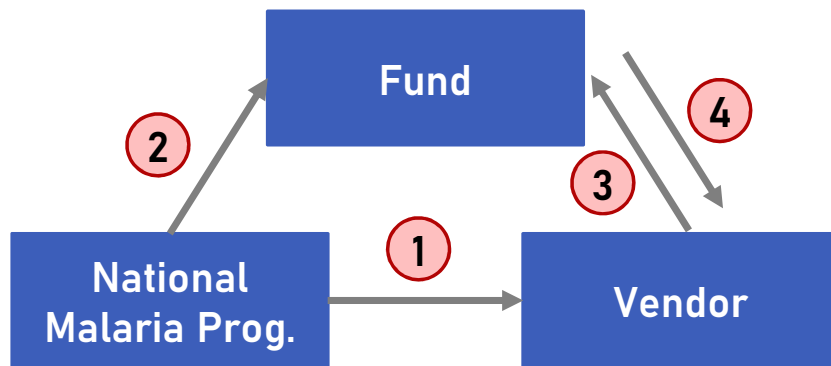
Most restrictive /  
burdensome



## OPERATIONS

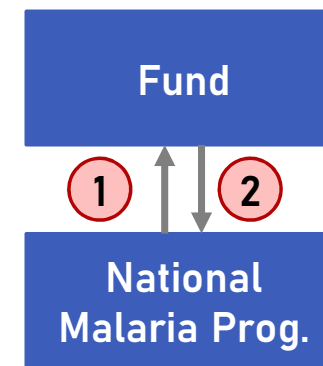
# HOW WILL RESOURCES BE DISTRIBUTED? (FINANCIAL)

### Procurement & outsourced services



- 1 National Malaria Programme (NMP) negotiates with vendor
- 2 NMP submits funding request to the Fund for approval
- 3 Vendor invoices the Fund to create record
- 4 Fund distributes resources to the Vendor

### Other operations (e.g., HR)



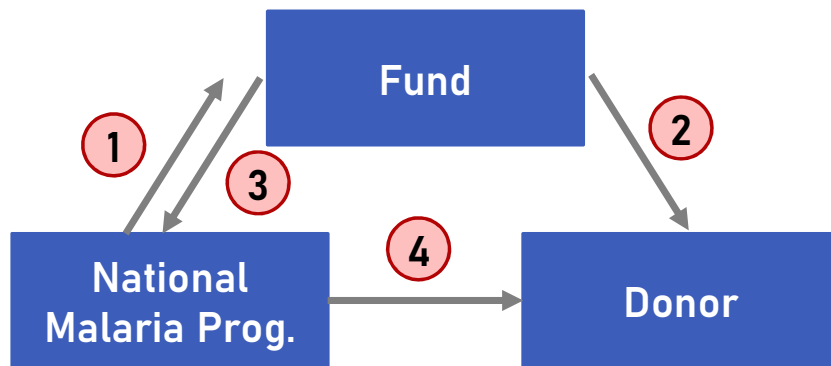
- 1 NMP submits funding request to the Fund for approval
- 2 Fund either disburses financial resources or hires and seconds resources to the programme



## OPERATIONS

### HOW WILL RESOURCES BE DISTRIBUTED? (IN-KIND)

#### In-kind services



- ① NMP submits funding request to the Fund for approval
- ② Fund mobilises in-kind contribution
- ③ Fund connects donor with the NMP
- ④ NMP coordinates with donor for in-kind contribution

#### Examples of in-kind contributions

- Provide staff on a seasonal basis to conduct indoor residual spraying
- Lend trucks to the NMP
- Use scale to negotiate lower transportation costs for the NMP
- Provide warehousing for malaria commodities
- Produce and broadcast advertisements and other communications
- Organise a fundraising event
- Provide financial and data systems / platform



## OPERATIONS

### HOW SHOULD THE FUND REPORT ON ACTIVITIES?



To minimize administrative burden, the Fund should **prepare and publish quarterly reports and annual report** (as opposed to reporting on a donor-by-donor basis)

#### Contents of Reporting

- Summary of funded activities and impact
- Financial statements (income statement, balance sheet)
- List of all Board decisions
- Performance against M&E framework / indicators
- List of donors (above a threshold)
- Amounts paid to donors (above a threshold)
- Risk registry

Reports will be published on the Fund's website

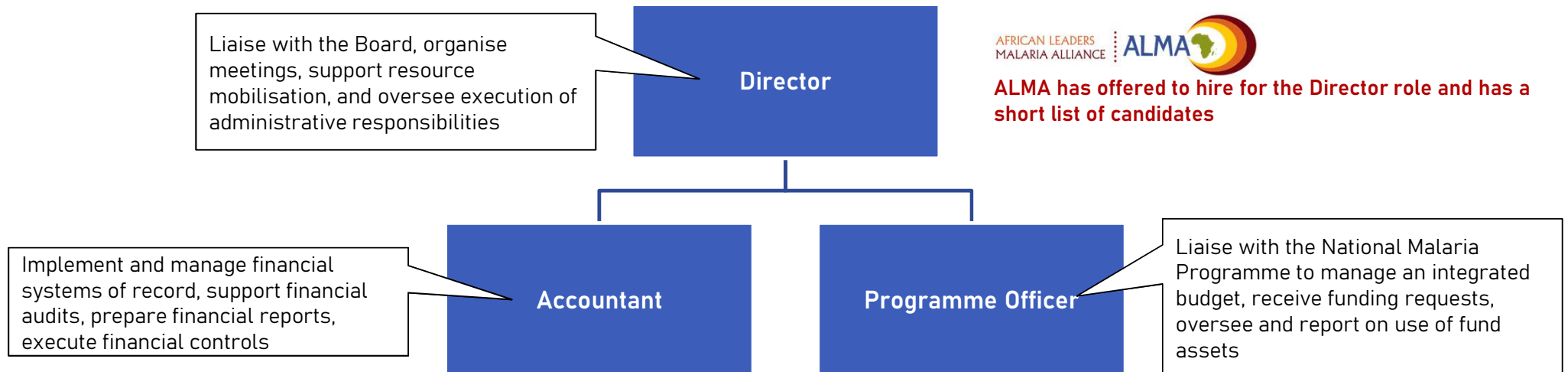
Should mirror the format and best practices of private sector companies



## OPERATIONS

# HOW WILL THE FUND BE MANAGED ON A DAY-TO-DAY BASIS?

- The Board should establish a **Secretariat** to support the day-to-day operations of the Fund
- The Board may **delegate administrative responsibilities** to the Secretariat, but remain accountable for their execution





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## NEXT STEPS

### ACTION ITEMS TO BE TAKEN (1/3)



Action	Owner	Consulted	Informed
Amend the regulations	Minister for Finance	ALMA	The Board, HMK
Gazette notice appointing the Board	Minister for Finance		The Board, HMK
Follow up on pledges from fund launch		ALMA	The Board
Organise even with HMK and donors		King's Office	
Hire Director of Secretariat		ALMA	
Staff other Secretariat positions			
Finalise by-laws and other Board policies		ALMA	

## NEXT STEPS

### ACTION ITEMS TO BE TAKEN (2/3)



Action	Owner	Consulted	Informed
Set up financial system of record	Secretariat	ALMA	The Board
Transfer ownership of the fund account	Ministry of Finance	Board Chair	
Contact bank to get wire transfer fees waived	Board Chair		
Set up electronic payment platform			
Implement financial controls with bank	Board Chair		
Finalise MoU with MoH			
Procure office space for the Secretariat			



## NEXT STEPS

### ACTION ITEMS TO BE TAKEN (3/3)

Action	Owner	Consulted	Informed
Work with NMP to develop consolidated budget and gap analysis	Secretariat	ALMA	The Board
Develop resource mobilisation strategy		ALMA	The Board
Engage potential donors			
Schedule Board calendar	Board Chair		The Board
Set up subcommittees	Board Chair		
Update fund website		ALMA	

