

Portfolio Management Update



THE GLOBAL FUND

to Fight AIDS, Tuberculosis and Malaria

**Fifth Board Meeting
Geneva, 5-6 June 2003**

Introduction

By the 4th Board Meeting, January 2003

- 30 grants were signed
- US\$ 5 million disbursed in 14 countries

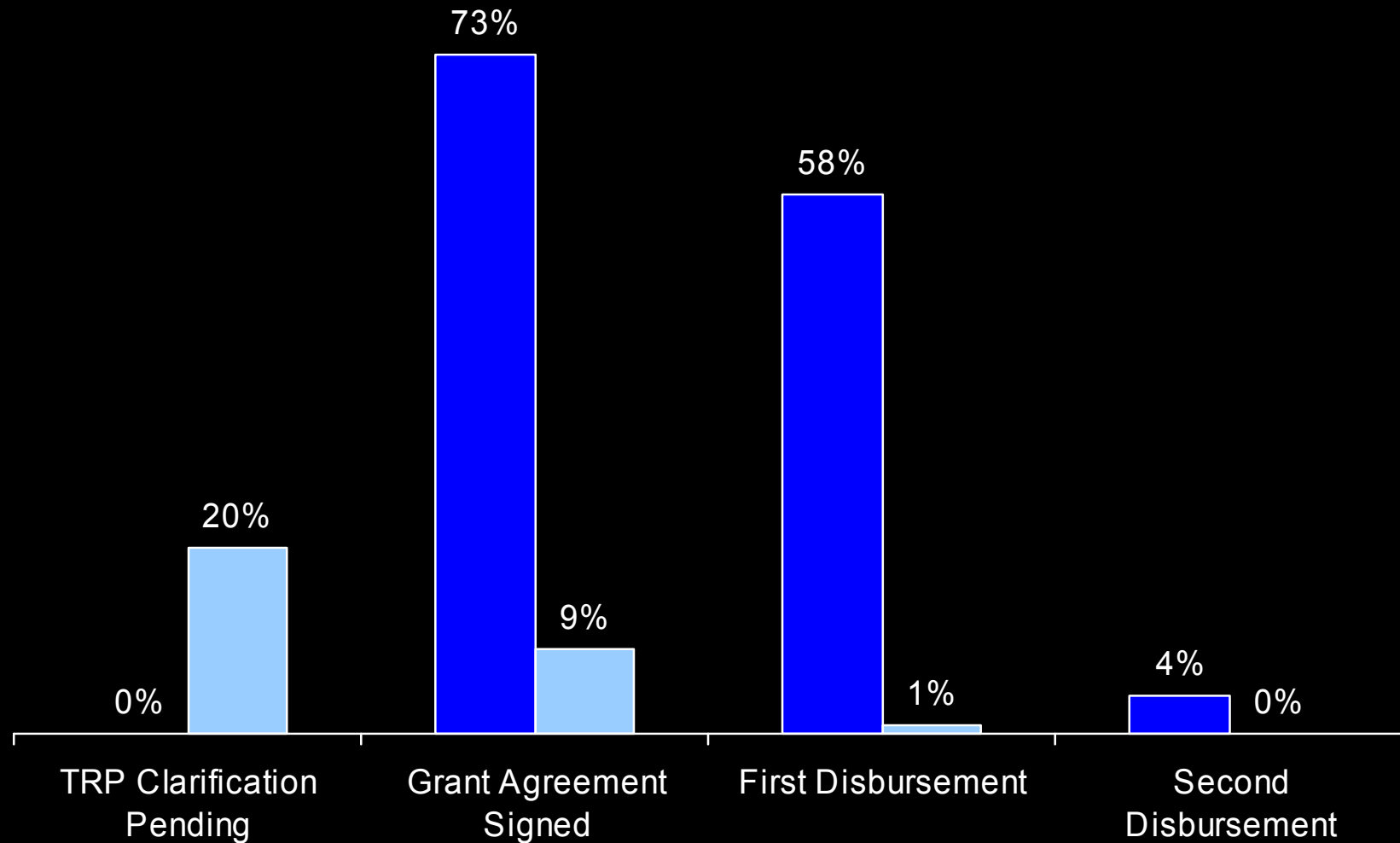
By the 5th Board Meeting, June 2003

- 57 grants signed
- US\$ 32million disbursed in 27 countries
- Second disbursements in Ghana and Haiti
- 2 grants scheduled to be signed at the board meeting and 10 during the week

Progress of Portfolio Management Overview

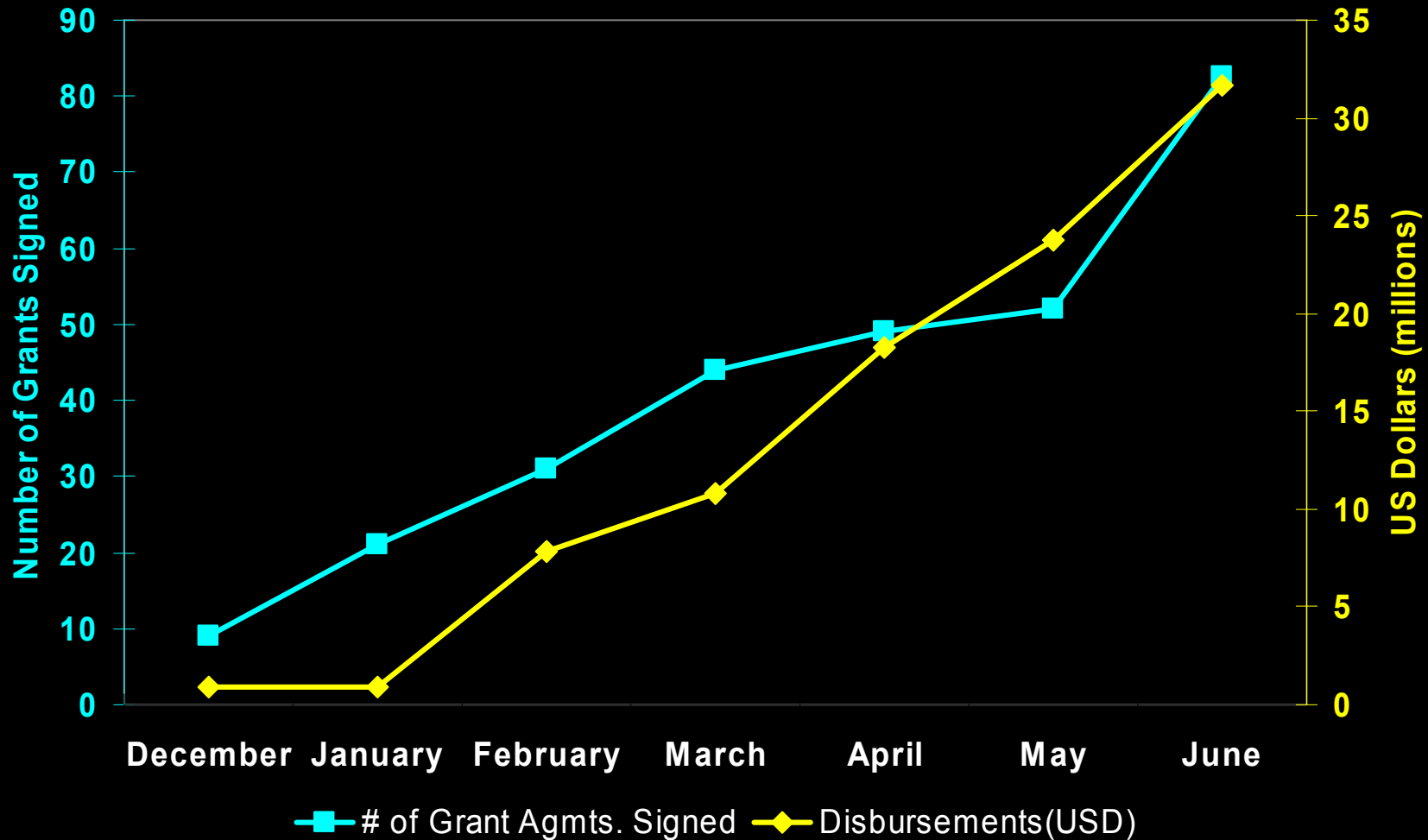
Percent of Components at each Stage

■ Round 1 ■ Round 2

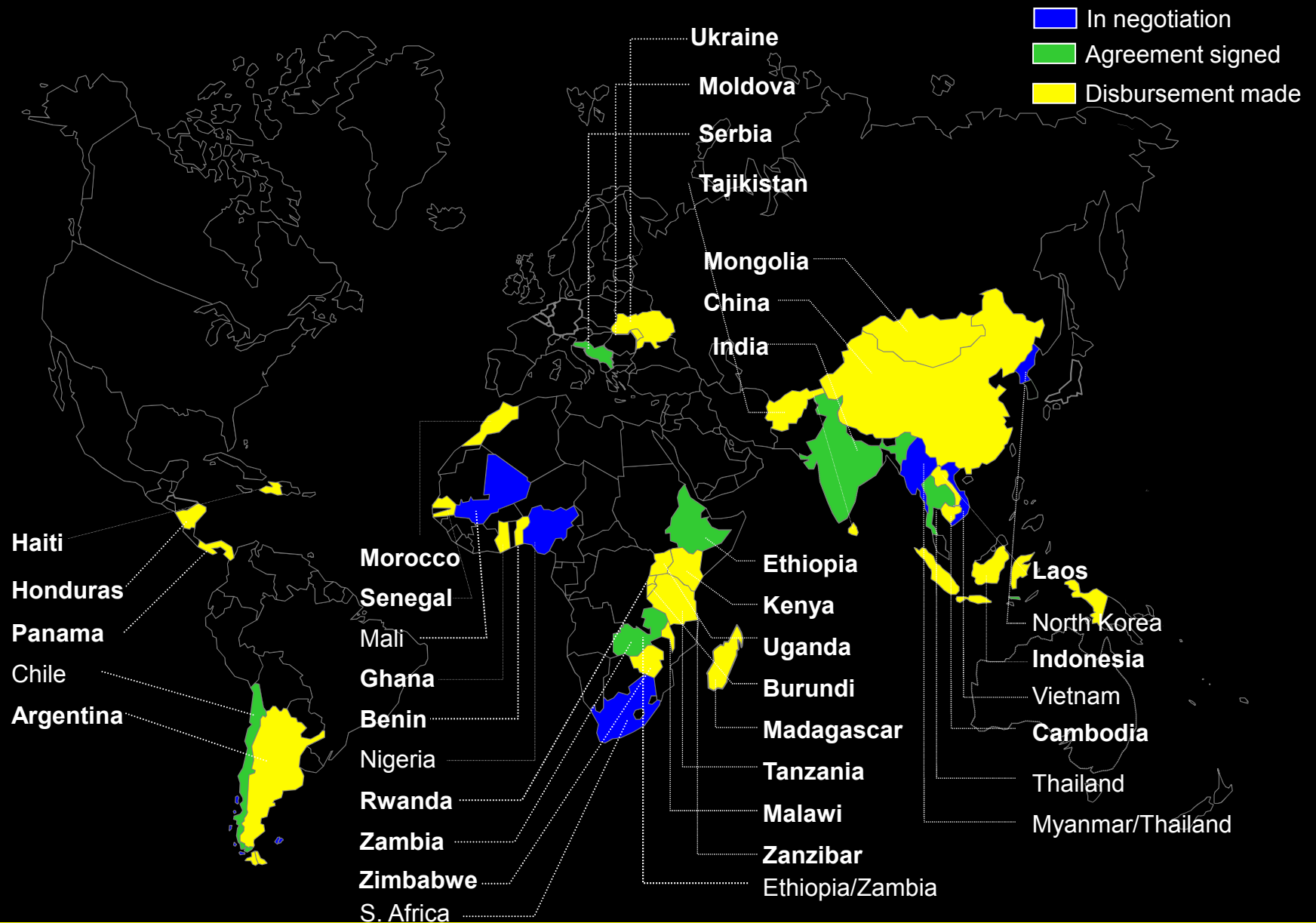


Cumulative Grant Agreements and Disbursements January to June 2003

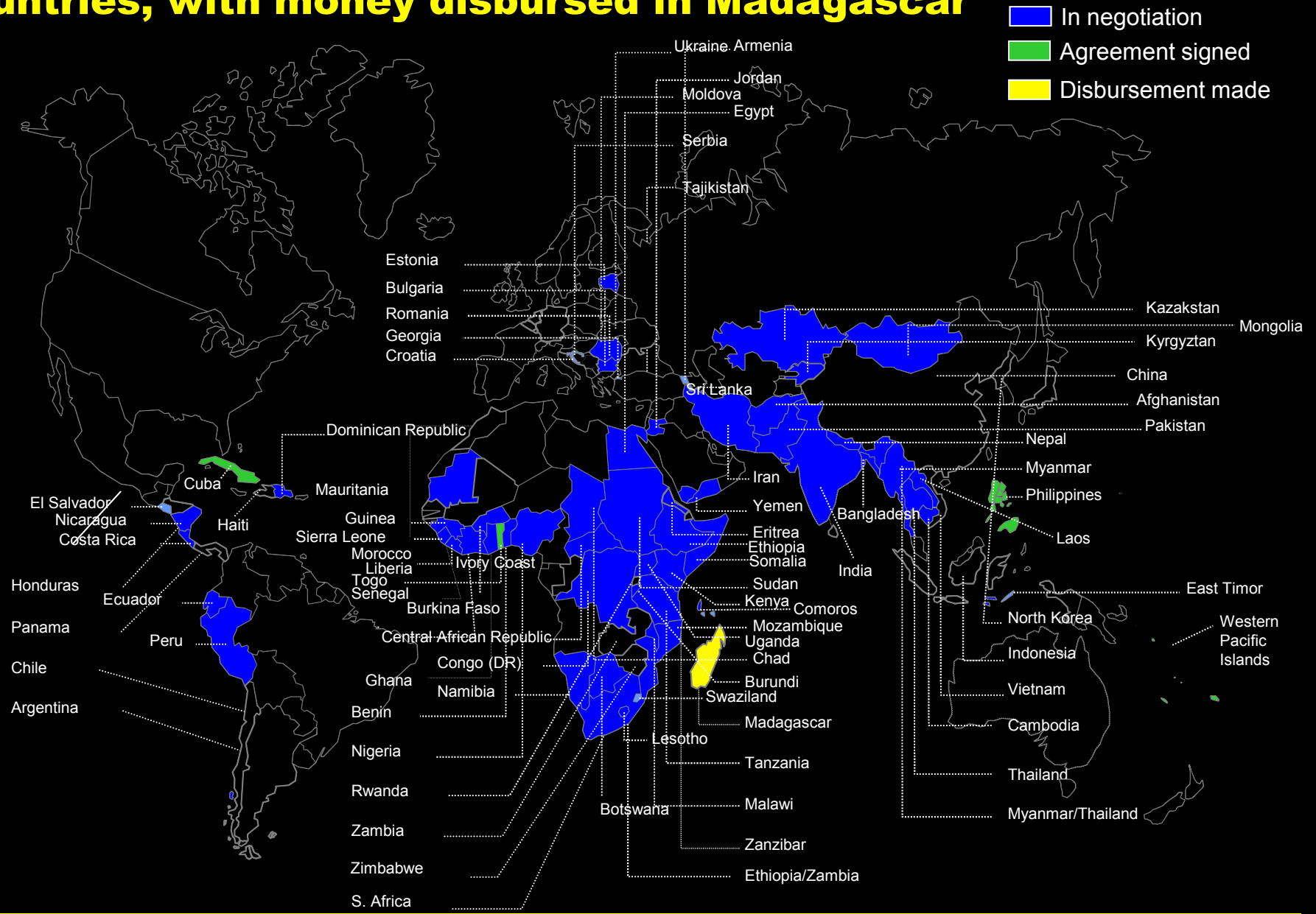
Grant Agreements signed and Disbursements made, December 2002 – June 2003



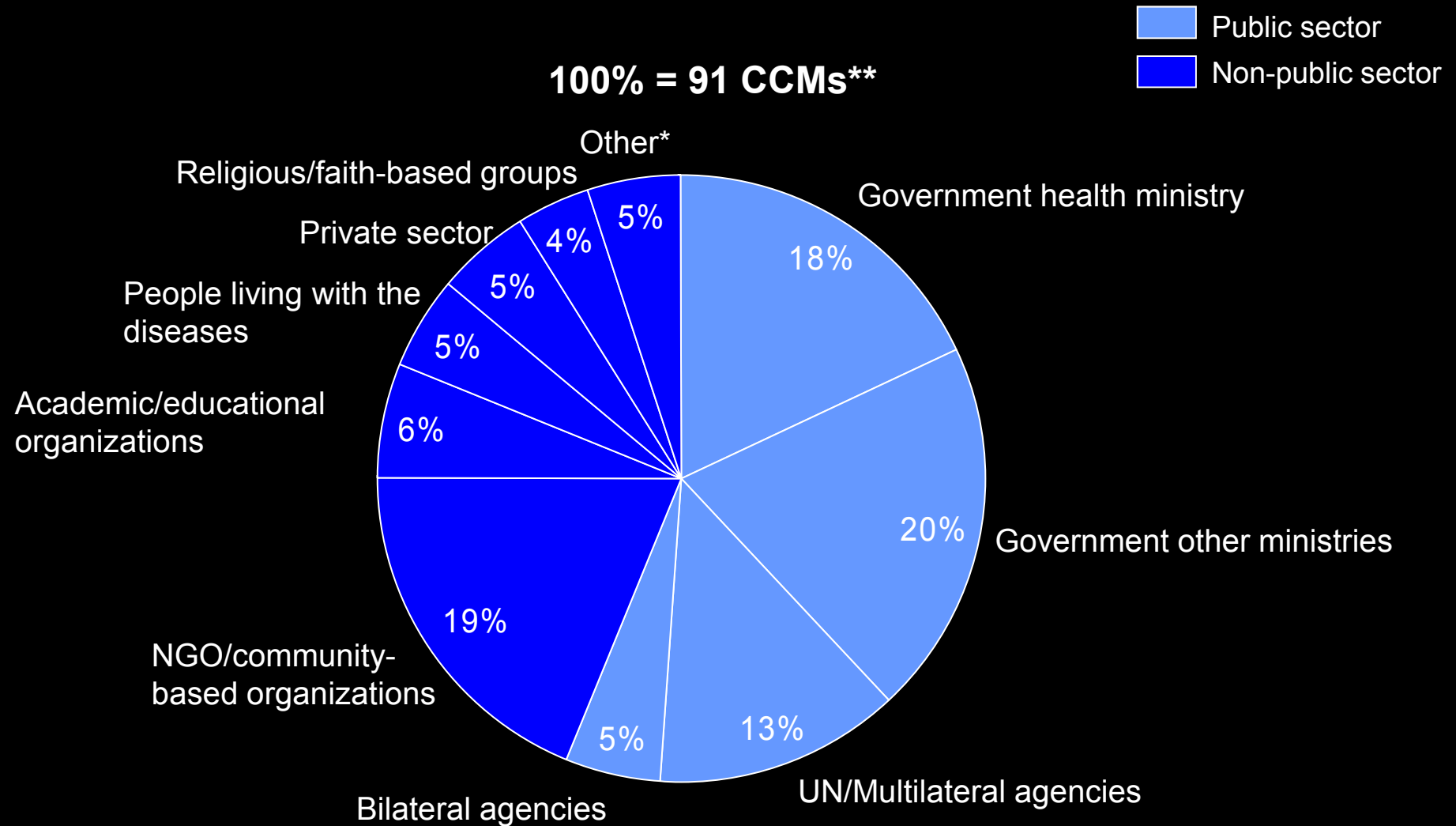
As of June 2003 75% of approved Round 1 components have signed Grant Agreements, and disbursements quickly followed



Grant Agreements are already being signed in Round 2 countries, with money disbursed in Madagascar



Average CCM compositions for Round 2 include a range of different national stakeholders



* Other includes mainly red cross and red crescent societies

** Excluding South Sudan (Sub-CCM) and Somalia, which are not representative due to the particular political situation

Key findings on Governance: Composition and functioning of CCMs is evolving

- Broad participation of private sector/civil society/government and donors: Ghana, Malawi, Peru, Senegal, Togo, Zambia
- Strong representation of civil society: Haiti, East Timor
- CCM becomes a legal entity: Honduras
- Engaged private sector in the CCM: Dominican Republic, Panama, Swaziland
- Political leadership at high level chairing CCM: Haiti, South Africa
- Subcommittees of CCMs: India
- Regional CCMs: Western Pacific, Mozambique/South Africa/Swaziland
- Strong role in advocating additionality: Uganda
- CCMs defining clear roles and responsibilities: Ethiopia, Nigeria

Key Findings: Governance

Challenge: Representation of civil society still limited

- In Africa, less than 5% of CCM members from private sector
- 12 of 32 African CCMs have no representation of affected communities
- In Eastern Europe, large CCMs with less than 10% civil society representation

Key Findings on Governance

Opportunities:

- Participation in regional consultations leading to exchange of experience in operationalizing CCMs
- Interest in multi-country and regional proposals to address cross-border issues
- Democratic processes used to select PRs and sub-recipients e.g. Argentina, Chile, Ecuador, Nicaragua and Nigeria using public tenders

Key findings: PR arrangements

Challenges:

- Diversification of PRs continues to be a challenge - Ministry of Health remains most typical PR
- Absence of clear, democratic process of nomination of PRs

Opportunities: Evolving PR nominations in Round 2

- Private sector foundation PRs emerging in a few instances (e.g. Chile, Haiti, Philippines and Serbia)
- Regional, intergovernmental organization as PR (e.g. Secretariat of Pacific Communities, Mozambique, South Africa and Swaziland)
- Multiple PRs in some e.g. Sri Lanka: Government and NGO; Zambia : PRs from government, NGO, and FBO sectors

Key findings: harmonization at country level

For example:

- Evidence of harmonization with existing efforts in countries (e.g., with World Bank MAP in Ghana, Malawi, and Senegal, basket fund in Zambia)
- Expansion/scale-up of World Bank/ DfID TB projects (e.g., China and India)

Key findings: growing evidence of additionality

Increasing commitments at the country level:

- In Madagascar, Global Fund financing has catalyzed increased investments from other partners in malaria control
- Global Fund ensured that its financing would supplement rather than replace existing funding in Uganda
- Thailand's health budget for ARVs will almost triple between 2001 and 2006

Key findings: Catalyzing effects - countries helping each other

Examples from Latin America and the Caribbean

- Cuba: Cuban doctors catalyzing ARV scale-up plan in Honduras
- Peru: Offers access to one of the best DOTS implementation experiences in the world: leadership in MDR-TB
- Argentina: sent consultants to Bolivia and Paraguay to help prepare proposals for Round 3
- Honduras: sharing its work plans and administration mechanisms with the rest of the region

Lessons learned: Adjusting standards to realities and expectations

Goal	Reality
Grants to be signed and money is disbursed rapidly	Countries' willingness and preparedness to proceed is uneven
Country-driven processes	Countries requesting more guidelines, templates and samples
PRs to develop procedures governing sub recipient relationships	Countries requesting guidance
Promote public-private partnerships	Decisions taken by CCMs do not always encourage public-private partnerships

Lessons learned: Making improvements to accelerate grant signing and disbursements for approved grants

- Avoid undue delays caused by TRP clarifications process
- Improve communication of Global Fund minimum requirements before grants can be signed to assist CCMs and PRs to prepare adequately e.g.
 - Nominations of PRs by CCMs
 - Minimum capacities of PRs
- Increase speed of LFA contracting - competitive process underway to establish a “menu” of suitable and available LFAs
- Ensure suitable alternatives for procurement and supply management if PR capacities are weak – list of accredited procurement agents

Lessons learned: Use existing systems and leverage work of partners

- Avoid duplication of PR assessments through improved access to previous work by partners; focus on areas where no previous track record or a need to validate certain capacities
- Actively encourage PRs to make use of their existing systems and, if necessary, work with development partners to strengthen capacities
- Ensure that reporting systems are flexible and adaptable to different country circumstances and existing systems

Areas where improvements are being seen:

- LFA assessments accelerating due to accumulated experiences
- Use of existing systems and leveraging work of partners
- Fund portfolio management processes and policy guidelines are increasingly being streamlined and clarified, accelerating grant negotiations and disbursements