



Investing in our future

# The Global Fund

To Fight AIDS, Tuberculosis and Malaria

Twenty-Third Board Meeting  
Geneva, Switzerland, 11-12 May 2011

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GF/B23/13  
Attachment 4

## CRWG Regional Consultations

### PURPOSE:

This document provides a summary report of discussions at four direct regional CRWG consultations held with stakeholders in Eastern Europe and Central Asia (Kiev), Africa (Nairobi), South and East Asia (Bangkok), and Latin America and the Caribbean (El Salvador).

**Global Fund Comprehensive Reform Working Group**

**Reform Consultations at the country level summary**

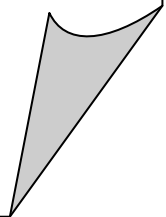
**Kiev, Ukraine**

**Nairobi, Kenya**

**Bangkok, Thailand**

**El Salvador, San Salvador**

**February-April, 2011**



## **Introduction:**

The Comprehensive Reform Working Group (CRWG), constituted at the 23<sup>rd</sup> Board meeting in Sofia Bulgaria, identified the need to directly consult with country-level stakeholders (including CCM members and program implementers) on the Plan for Comprehensive Reform (PCR).

In response to the short time available to the CRWG to consult and synthesize findings, the decision was taken to organize these consultations on a regional basis: Eastern Europe & Central Asia, Africa, Asia and Latin America & The Caribbean.

## **Methodology:**

The consultations were all structured similarly in terms of content, organization and participants.

The first 2 hours of the consultation consisted of a 20-minute power point presentation on the scope of the PCR including the broad contents of the 9 reform areas, and the rest of the time was devoted to discussions on each one of the reform areas. The second 2-hour section was devoted to presentations of recommendations by participants to members of the CRWG. During the presentations all participants were requested to concentrate their comments on providing solutions rather than only on identifying problems.

It is worth noting that there were some variations between the consultations. In the Africa consultation, the participants were mainly civil society representatives; in the case of Asia session, the participants were mainly Government representatives; and the Latin America consultation focused on specific questions introduced by the facilitator instead of discussing the 9 reform areas.

During the first 3 consultations, participants were free to decide the reform goals they were not willing to address, either due to lack of knowledge or information related to that topic. On the other hand, it was up to them on how to present the recommendations, either by listing all of them or by grouping them goal by goal.

### **Reform Consultation for Eastern Europe & Central Asia**

**Location: Kiev, Ukraine**

**Date: February 24, 2011**

**Total participants: 39**

**Countries: 4: Ukraine, Kazakhstan, Serbia and Romania**

#### **Summary of recommendations:**

1. Create a mechanism defining the procedure of interaction between governing structures of the GF, PRs, SRs, and country CCMs, as well as terms of reference for all the above.

2. Develop a mechanism for better LFA involvement interaction with a CCM – i.e. an interaction mechanism (collaboration on procedures, communicating results of inspections on major problematic issues). Build expertise of LFA members – along with fiduciary control, LFA experts should have capacity for adequate expert evaluation of program activities.
3. Ensure clear, unbiased, and full-scale execution of functions of fiduciary control and prevention of funds abuse by all the participants – members of grant cycle: LFA, CCM, OR and SR, GF Secretariat and GF Board according to the politics and procedures of GF.
4. Ensure timely OIG reporting both on successful practices and shortcomings - long period of waiting for results decreases strategic value and possibility to influence the outcome. It is necessary to analyse GF grant control and protection mechanisms, and define causes preventing these mechanisms from working.
5. Define requirements to countries regarding effective use of GF funds for major key interventions expected to result in a deliverable – decreased number of infections, increased number of patients on treatment, and decreased mortality.
6. States/governments should highlight acknowledgement of GF contribution as additional resource for the country in strengthening various development programs, including HIV/AIDS response programs.
7. GF's prioritization of areas for grant resources in specific regions and countries should be evidence-based. The role of UN agencies in ensuring evidence accessibility is important.
8. GF procedures, as well as grant agreements at the time of their signing, should stipulate for mutual responsibility of parties (GF – PR and SRs) for creating sustainable models of service delivery during grant implementation.
9. Enhance and optimize GF control over fulfillment of commitments by recipient countries. It is necessary for GF to exercise control over commitment regarding government contributions, as well as to strengthen countries' responsibility to the GF for proper use of funds received. The “Value for money” guidelines should be clear and complete. There is a need for developing a mechanism for communication between GF and countries on risk management, as at present countries have no access to the risk scale.
10. Shorten the negotiation period (from application submission through grant signing) as by the time a grant begins implementation, changes in the epidemic influence the possibility of achieving indicators.

11. Revise GF grant reporting design, including simplifying forms and aligning GF reporting deadlines with in-country ones.
12. In future grants, take account of the need for retaining NGO capacity built through a previous GF grant should PR/SR configuration change – i.e. there should be balanced support of PR/SR both in the public sector and in civil society.
13. In GF grants, regulate effective use of technical assistance budget line through identifying implementer's needs and codifying a procedure of collaboration between technical assistance agencies and GF grant implementers.
14. When considering proposals and making decision regarding grant provision to a country GF should base judgment on country demand with grant objectives and deliverables indicated.
15. GF proposals should be complementary to the state policy; it is necessary to consider the possibility of re-orienting ongoing grants based on interim evaluation of country needs and the extent of achieving indicators.
16. Strengthen the CCM's role, giving it grant control and oversight authority. Any reports on GF project activity, as well as audit reports, should be submitted to the CCM for it to be informed in a timely fashion so that it can take troubleshooting measures.
17. Revise the LFA composition: it should consist of independent experts. Even in the case of LFA's functions being expanded, its work should be transparent and should aim at improving recipient's work, not at elementary error check.
18. To ensure sustainability and success of work, consider those proposals which are grounded in a national strategy and operational plan with associated budget.
19. Develop specific operation protocols, ensure transparency and informed interaction.
20. Evidence-based procedures: Develop mechanisms for ensuring compliance between funds invested and results delivered.

21. To ensure effective GF implementation, two work options are suggested: 1) opening country/regional GF offices that would be responsible for resource allocation, procurement, monitoring, and control; 2) ratification of proposals at Prime Minister level – makes country's central executive body responsible for proposal implementation.
22. - Timely planning of alternative sources/partnerships to ensure continued funding of ongoing project activities especially of those which are the most successful for the consumers
23. - The selection of activities should be based on the quality assessment and oriented to supporting on evidence based measures
24. - Countries should commit themselves to submit a detailed application in view of ongoing expenses for one of the diseases and plan to gradually increase state financial contribution during future health program funding from the Global Fund
25. Build LFA capacity to increase performance and balance programmatic and financial competencies;
26. Pay more attention to the preliminary process, prior to grant development and submission for funding (i.e. CCM establishment, PR selection etc.). The Global Fund may consider acknowledging and strengthening the role of the catalyzing stakeholders (i.e. international organizations) that provide technical assistance, especially prior to proposal development.
27. Develop a new model of eligibility that may ensure follow-up interventions, including results consolidation so that countries like Romania which have successfully implemented two Global Fund grants remain in the Global Fund architecture in order to provide exchange of best models of practice.

**Date: March 3, 2011**

**Location: Nairobi, Kenya**

**Total participants: 17**

**Countries: 6: Ethiopia, Kenya, Rwanda, Swaziland, Uganda and Zambia**

### **Summary of recommendations**

#### **Goal 1: Enhanced Fiduciary Control & Risk Management**

- Consider reducing the time gap between audit and implementation
- Consider strengthening CCMs engagement post grant approval; the LFA contract should include indicators related to CCMs role post approval
- Consider investing in Systems strengthening- capacity building opportunities
- Consider investing in results based Monitoring and Evaluation system/process
- Consider CCMs as trustees
- Consider including in the guidelines that the chair of CCM cannot be the Principle Recipient
- Consider what works in different countries and adopt models based on best practices
- Consider investing in community system strengthening to enhance CSO's capacity in implementing funded proposals
- Strengthening CCMs oversight role by considering, in the signing guidelines between GF and CCM and subsequently, CCM's signing with PR to strengthen the oversight and responsibility towards reporting in time and completeness of reports.

#### **Goal 2: Improved resource allocation & increased value for money**



- Consider equity in proportions of allocation for mitigation and prevention.
- Consider setting a basket aside for CSOs technical capacity needs, which should be open for CSOs to draw from as they continue to identify technical capacity gaps.
- Consider allowing countries to explore models that have worked in their countries
- Design guidelines that will help countries to come up with evidenced based solutions
- Invest in M&E and research for implementers to know whether the interventions or models work

**Goal 3: Improved proposal development & Review process:**

- Consider in the guidelines a provision that will demand governments to put money aside for proposal development
- Identify a systematic way to Improve on timelines for clarification so that countries can ask consultants to be back for specified period of time
- Consider measures to ensure TRP thoroughness and consistency in review (they have at times made comments that were already catered for in the proposal).

**Goal 4: Improved Grant Management/reduced transaction costs**

- Consider a mechanism that will safeguard continuity of life saving interventions such as ARVs in situations of funds suspension.
- Enhance timely disbursement of funds for timely implementation
- Consider reviewing the grant process timelines to 6 month or annual disbursement instead of quarterly
- Clearly articulate in the guidelines the role of development partners in the CCM
- Consider investing in operational research to enhance documentation

**Goal 6: Improved partnership and in-country structures**

- Consider promoting positive publicity of Global Fund
- Consider funding capital expenditure to strengthen in-country structures
- Consider investing in operational research that will lead to strengthening CCM's
- While the current role of PRs remain, consider developing guidelines to guide the role of CCM after funds disbursement
- There should be a very clear demarcation of roles and duties among all players CCM, PR,LFA e.g. LFA should not send out reports that the country has not seen
- Guidelines should require reports to be sent to CCMs

**Goal 9: Increased sustainability and efficiency**

- Consider relooking at costs associated with overhead and grant management
- Consider setting aside a % of grant to countries as investment in an endowment fund to serve as a buffer in low or no fund situations. This will contribute to minimum discontinuation of health services and lifesaving interventions.
- Consider investing in prevention thereby controlling new infections and avoid later need for treatment which is associated with high costs and is not sustainable
- Consider Investing in evidence-based research to support advocacy for sustainable financing

**Reform Consultation for Asia.**

**Date: March 25, 2011**

**Location: Bangkok, Thailand**

**Total participants: 8**

**Countries:5: Cambodia, China, Nepal, Sri Lanka and Vietnam**

### **Summary of recommendations**

#### FIDUCIARY CONTROL

- 1) Establish well defined objectives on finance management with a clear matrix in order to track each one of them
- 2) Salaries of people hired by the PR need to be equivalent to other health workers in similar positions
- 3) LFA findings need to be discussed first at country (CCM) level before releasing them to the international press
- 4) Chair of the CCM needs to be the Secretary of Health
- 5) Develop and establish an online purchasing tracking system, were every single purchase done by the PR with GF monies be uploaded on a daily basis, therefore there is no need to wait until the end of the month, quarter or year to discover irregularities.
- 6) Avoid innovative anti-corruption policies quickly developed after findings in one country and then applied to all countries (the prohibition of training was a damaging experience)
- 7) The role of OIG. It seems OIG is looking for faults. The approach should be changed and OIG need to play a supportive and constructive role. If it finds some faults, that can be discussed and fixed at country level rather making big issues and generalizing. CCM needs to be involved into oversight of the use of resources

### VALUE FOR MONEY

- 1) Go for the cheapest products only after there is a warranty of similar quality standard at country level
- 2) Consider that vehicles can be used as an extension of health services to rural areas instead of building more infrastructure
- 3) When there is a need to cut resources, let the country decide where to cut them and do not just give the country a general global recommendation
- 4) Quality standards needs to be measured according to the national quality standards

### BUSINESS MODEL

- 1) Keep the GF as a financial mechanism not interfering with the implementation of the project.
- 2) Key Performance Indicators need to be specific to country realities
- 3) Accountability of LFA and PR towards CCM need to be established. Bilateral communication between LFA and or PR with the GF undermine the scope of CCM

### PARTNERSHIP

- 1) UN Agencies and bilateral donors are over-represented at the CCM level
- 2) CCM should hear an project progress report from the PR every six months.

- 3) The GF with the endorsement of the CCM, should contract at country level, a UN agency that can provide technical support on project implementation. This way partners from the UN system could be accountable on their duties. Prior to contracting one or two UN agencies, the CCM needs to agree on the specific issues that need technical support

### **Reform Consultation for Latin America,**

**Date: April 13, 2011**

**Location: San Salvador, El Salvador**

**Total participants: 15**

**Countries: 6: Ecuador, El Salvador, Guatemala, Honduras, México and Nicaragua**

### **Summary of recommendations**

#### **1) CCM role on the oversight of the project**

The CCM should focus on the oversight of health impacts rather than oversight of project development

In order for the CCM to exercise any kind of oversight, members require training

the CCM requires clear guidelines and a defined control panel, are to assume a new role as an oversight entity.

The CCM may arrive at a conflict of interest by engaging in the oversight of financial resources if the guidelines do not clearly define the composition and role of the CCM members such that there are standards to avoid this conflict of interest.

The CCM should be involved in oversight of the use of financial resources but cannot be the only warrant that corruption will not happen.

To assume an oversight role, the CCM needs constant communication with the PR and LFA.

## **2) Are there alternatives to the Local Funding Agencies (LFAs) ?**

LFAs do not have technical knowledge in order to understand the nature and rationale of budgets and purchases; therefore they sometimes interfere with the development of the project by requesting additional information on issues that could be clearly understood by someone with some degree of public health knowledge.

LFAs need training to understand public health or AIDS, Tuberculosis and Malaria (ATM) issues

LFAs are extremely expensive entities to hire, especially given that they then require training. The knowledge and experience on managing financial resources as well as knowledge on public health issues should be a requirement in order to be contracted and the Global Fund should not contract with organizations that will need to be trained subsequently on ATM.

The LFAs who are already contracted need to be trained on ATM, but the new ones should be required to have that proper public health knowledge before the Global Fund even considers contracting them

In Latin America there are organizations that have both skills and knowledge in terms of accountability, finance management and also public health capacity in order to play a proper LFA role. However, the ones contracted by the GF only have the first part and lack the public health skills.

Some other multilateral or bilateral donors do not have LFAs because they have in country offices, however, the GF should not consider opening GF offices in every country, but it should request and agree with the World Bank to assume the LFA role.

LFAs should be invited to participate at the CCM meetings as observers, who are sometimes invited to provide opinions. This would allow them to start getting some knowledge on the public health rationale of the project.

### **3) Value for money: given priority to high impact interventions**

High impact interventions should be clearly established prior to the proposal being submitted to the GF, and the TRP should only approve those proposals that have them

From a high impact interventions recommended list, interventions need to be chosen according to the nature, knowledge and characteristics of the epidemic for each single country

The GF should finance only evidence based and sufficiently proven ATM interventions.

Innovative ATM interventions should have a different and separate funding mechanism and it should be strongly linked to evaluation in order to demonstrate their effectiveness on controlling the epidemics.

Not just a National Strategic Plan should be required to countries in order to get a GF grant, but mainly an Evidence Based National Plan, where evidence based should be the main driver of the national plan.

ATM interventions should be redirected to where they can have more impact and also to the right populations

### **4) Should eligibility be linked to contributions to the GF**

Most Latin American countries are already contributing significantly to the global response to the three epidemics, given that they are investing their own resources in a much larger proportion than the rest of the developing world.

In most countries of the region the largest share of the ATM response is funded by their own local resources, while in other regions, countries cover all or most of the response to the three epidemics with international aid. Therefore, Latin America's financial contribution to the global response to the three epidemics is already given.

Some of the biggest economies of the region, the ones belonging to the G20, maybe in a better position to be GF contributors, since they have large international assets and reserves

**5) How can partners of the GF be better involved in the development of the project and not just on the preparation of the proposal?**

The GF should enter into country-by-country MOUs with partners, according to their in country strengths.

Central America (not the rest of Latin America) is a good example of technical cooperation by partner agencies, either bilateral or multilateral on developing of the GF project.

Guatemala has a clear CCM endorsed plan, where they have descriptions of very concrete technical cooperation action to be taken by every single partner.

If partner agencies, either bilateral or multilateral, have resources and committed staff, they do get involved and provide technical cooperation to the GF projects development, which is the case of Central America; however, this is not the case in South America.

If new GF resources are given to the partners in order to be involved in technical cooperation, they need to come in separately and should not be accounted as part of project grant

Clearly delineated in-country division of labour with partner agencies is effective in helping to develop a midterm plan to support the GF project.



An MOU with partner agencies could be done mainly in order to strengthen civil society skills and knowledge on high impact interventions and to help governments on jointly monitoring the progress of the GF project.

In South America, since most of the partner UN agencies have scarce resources, they are perceived as competitors fighting among themselves for grants, rather than partners willing to help a GF project.

#### **6) CCM structure and conflict of interest**

Guatemala, El Salvador, Honduras and Mexico agreed that the PR cannot be the chair of the CCM, because of clear conflict of interest.

There are many examples in Latin America where the CCM chair rotates and also several examples where the CCM chair is non-government. The GF should evaluate performance of the different kinds of CCM models.

Mexico's CCM model is one where the Federal Government has explicitly abstained to be the chair, with the rationale that the resources are not Mexican resources but rather aid from external donors to the country and therefore it will be a conflict of interest to have an oversight role of those resources and at the same time acting as a sub-recipient (SR) of the same ones. The Mexican CCM internal bylaws forbid any PR or SR to be the head the CCM. However, the Mexican Government belongs to an Executive Committee of the CCM together with the CCM Chair and Vice-Chair.

The Honduras CCM model is one where, in order to avoid conflict of interest, none of the CCM members are either recipients nor sub recipients; however, there is a perception that they are completely disconnected from the project development. On the opposite side, on the Ecuador CCM, all the country members are either PR or SR and there is also a perception from outsiders that it is a clear conflict of interest.

If a Government is the chair of the CCM, it should be a different government agency or ministry and not the same one that is receiving resources as PR or SR.

Nicaragua suggested that the CCM chair should be a person from the highest possible level, the President of the Country or the Minister of Foreign Affairs, in order to assure country commitment, ownership and sustainability of the project. However, another participant raised the issue that in new democracies, the commitments from previous governments might be not recognized when a different political party wins and everything will need to be restarted again.

Rotation of CCM members is desirable, however, not all at the same time, since it is good that some of them remain and rotate later, so the CCM could benefit from their experience, knowledge and memory.

When governments are PR or SR and they are also members of the CCM, they need to abstain to participate whenever deliberations about their performance are programmed at the CCM meetings.

Division of labor should be established inside the CCM, mainly for the CCM members that are receiving GF money

#### **7) Some other recommendations for the reform**

It is good to have GF offices at the regional level since the time zone difference really matters for problem solving and for immediate feedback when there is an urgent need.

Since the GF is not a technical mechanism but rather a financial one, the GF financial management issues could be solved, both the regional and country level, by signing MOUs or agreements with World Bank and not necessarily by opening new GF offices.

Constituency representation at the GF should have a role on solving communication issues with the GF in Geneva, CCMs should be represented at the constituency levels.

The same way gender perspective is included in all GF proposals, human rights should be also there as a prerequisite