

GLOBAL FUND OBSERVER (GFO), an independent newsletter about the Global Fund provided by Aidspace to over 8,000 subscribers in 170 countries.

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[2. ANNOUNCEMENT: Volume 1 of Aidspace’s Round 11 Applying Guide Is Released](#)

Volume 1 of “The Aidspace Guide to Round 11 Applications to the Global Fund,” is now available in English on the Aidspace website. Volume 1 provides information that will assist applicants to start working on their Round 11 proposals now. Volume 1 contains a detailed description of what is new for Round 11.

[3. NEWS: Global Fund Board Approves Extension Funding for Some Expiring Grants](#)

The extension funding approved by the Global Fund Board at its meeting in May 2011 is designed to address the problem of applicants that face programme interruptions because decisions on the Round 11 proposals will be made at the first Board meeting in 2012 instead of at the last Board meeting of 2011.

[4. ANNOUNCEMENTS: Global Fund Guidance Note, MNCH Guide and Video Released](#)

The Global Fund has issued a guidance note on the CCM minimum requirements; a new publication is available on using Global Fund proposals to maximise MNCH outputs; and a video on the work of the Global Fund is available online.

[5. NEWS: Limited Data Available on MSM, Sex Workers and Transgenders](#)

A study of all proposals submitted in Rounds 8, 9 and 10 reveals that there is relatively little epidemiological data on men who have sex with men, transgender persons, and male, female and transgender sex workers. The study was conducted by the Global Fund.

[6. NEWS: Report on KPIs for 2010 Shows Mixed Results](#)

In 2010, eight out of the nineteen Global Fund key performance indicators (KPIs) due for 2010 year-end reporting either achieved or exceeded their targets, seven performed moderately, and four under-performed. This information is contained in a report prepared by the Global Fund Secretariat.

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1. LETTERS TO THE EDITOR: Responses by Global Fund Chair and Others to “Auditing the Auditor”

Editor’s note: On 24 May 2011, in GFO 147, we ran a [Commentary](#) entitled “Auditing the Auditor” which focused primarily on the work of the Global Fund’s Office of the Inspector General (OIG). We invited readers to submit “letters to the editor” with responses to the article. We received [five letters](#) from principal recipients, which we reproduced in GFO 148.

We then invited readers to submit further letters by 17 June. We received three such letters, reproduced below. One is from the Chair of the Global Fund Board, one is from the Minister of Health of Rwanda, and one is from a working group of the India CCM.

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Letter from Martin Dinham, Chair of The Global Fund Board, on behalf of the Global Fund

Your commentary, "Auditing the Auditor" in issue 147, and the subsequent letters by organisations and Country Coordinating Mechanisms (CCMs), identified some important issues.

As a new Chair of The Global Fund Board, I come to these issues with fresh eyes. I see one of the greatest strengths of The Global Fund to be its commitment to ensuring its funds reach the intended destinations and beneficiaries. It is an international leader in this respect.

“ While we may not agree with all aspects of the GFO’s analysis..., we respect the constructive approach that both GFO and those who wrote the subsequent letters have taken.”

At the same time, The Global Fund is and will remain a learning organisation, and we will always value feedback and constructive criticism so that we can improve our systems and processes. Where we can improve, we will strive to do so. While we may not agree with all aspects of the GFO’s analysis and may question some of the descriptions of specific issues or incidents, we respect the constructive approach that both GFO and

those who wrote the subsequent letters have taken, and we value this attempt to bring to light important issues and to engage in a discussion. Such feedback will certainly assist our thinking as we further develop the fiduciary control functions of The Global Fund and our efforts to live up to our standards of transparency while not hurting the reputations of the innocent.

The Global Fund has a fundamental responsibility towards both its donors and its ultimate beneficiaries – the millions of people who are dependent on our resources to stay alive or avoid infections – to make sure every dollar is spent properly, in furtherance of grant programs, and as efficiently as possible. Leniency towards waste and misuse will ultimately hurt everyone. It will also lead to loss of donor confidence. By necessity, uncovering misuse of resources is not a pleasant undertaking, and it is impossible to do such work thoroughly and properly without upsetting some people and causing a defensive reaction. The focus of our control efforts has been to uncover what in many instances have been deeply troubling, deliberate attempts at defrauding The Global Fund of millions of dollars. Such diversion ultimately harms this institution and those whose lives it was created to save. When money is stolen, patients and programs suffer, and lives are put at greater risk. We take these issues extremely seriously.

“ Uncovering misuse of resources is not a pleasant undertaking, and it is impossible to do such work properly without upsetting some people and causing a defensive reaction.”

It is equally important that we retain a spirit of true partnership and mutual respect with our recipients, and that we meet all implementers of Global Fund grants with an assumption of

good will and dedication to their mission. When we have not met our obligations in this regard, we will acknowledge it and improve.

“ When we have not met our obligations [regarding partnership and mutual respect], we will acknowledge it and improve.”

We acknowledge too that the significant workload of the Office of the Inspector General has contributed in some instances to an unfortunate delay in the period between an audit or investigation being completed in country and the publication of a final report. Delays are also caused by poor record keeping of some recipients, a lack of cooperation, in some instances, with audits and investigations, and other administrative and due process obligations that must be completed before a report is finalised. Nonetheless, we are examining this issue closely and will be doing all in our power to shorten this period in future.

Since Mphu Ramatlapeng and I took up our positions, respectively, as Vice-Chair and Chair of The Global Fund Board, we have at the request of the Board begun work with the Office of the Inspector General and the Secretariat to produce a protocol for communications. This protocol will set up clear procedures for how we maintain confidentiality; avoid premature dissemination of investigation and audit details and reputational damage to subjects of investigations and audits before such work is finalised; and best protect the reputation of The Global Fund when such reports are published, while retaining the organisation's commitment to transparency and a fully independent Office of the Inspector General.

“ We have begun work with the OIG and the Secretariat ... to set up clear procedures to maintain confidentiality [and] avoid reputational damage to subjects of investigations and audits before such work is finalised.”

The Board, the Inspector General and the Secretariat of The Global Fund constantly strive to provide the largest resources possible to countries' efforts to save lives and drive back the three pandemics and to ensure that these resources are invested in an efficient and effective manner. We welcome *GFO's* comments and constructive criticism as they help us in this mission.

Martin Dinham, London, England

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Letter from Dr Agnes Binagwaho, Minister of Health, Rwanda

Firstly, I would like to give a word of thanks to a few members of the OIG team who visited us in 2010 and who displayed a high level of professionalism when interacting with the Rwandan teams. However, I would like to share my disapproval of the behaviour of the other members of the OIG team who were less than appropriate and very unprofessional at times during their interaction with our teams – because sharing this may help shape the way audits are performed by the OIG teams in the near future.

“ Behaviour of [some] members of the OIG team [was] less than appropriate and very unprofessional at times... Some OIG team members ... appeared to play a police rather than an auditing role... It was as if their motivation was to find the flaws and see us fail the audit.”

In Rwanda, while it is true that we are in a process to build the capacity of our accountants, the approach used by some OIG team members was undesirable and not called for. They undermined our accountants, behaved unpleasantly and even in an insulting manner in certain instances. Though the Team Leader stressed the importance of professionalism, respect and collaboration during the audit exercise, these team members diverted from their core mission and objectives and, instead, appeared to play a police rather than an auditing role. Despite being proven

wrong on some of the claims they made, they continued repeating the same statements without taking into account answers and clarifications provided to them.

The attitude of some members of the OIG team did not uphold the human right for respect. They reminded us of how power can be abused. These experts should have been more respectful. It was as if their motivation was to find the flaws and see us fail the audit. Surprisingly, the team members I am referring to never thought about apologizing for their inappropriate conduct. However, I recognize that the Team Leader was continuously keen on trying to ensure an atmosphere of respect and that a few members of the OIG team acted in a professional and courteous manner; it is just a pity that, though key, they were a minority in terms of numbers.

An audit should be done with a view to promote capacity building rather than with an objective to prove you wrong. Its basis should be rooted in good practices and lessons learnt for better performance. Until everyone involved in these audits understands their objectives and the importance of professionalism in conducting them, the OIG will have to monitor the behaviours of his teams, including the subcontracted ones, as we hear unacceptable stories from countries from the Southern constituency. This is critical, as we want to continue seeing the OIG's audits as opportunities to learn about our strengths and weaknesses and improve the management of disease programs.

Agnes Binagwaho, Kigali, Rwanda

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Letter from the working group that was set up by the India CCM to look into alleged grant mismanagement

In January 2010, the India CCM formed a working group to investigate persistent whistleblower allegations of financial mismanagement by a sub-recipient of Rounds 4 and 6 funds. This SR was a national body representing PLHIV across India. Over a three-month period, the working group concluded that the allegations were not simply the result of misunderstandings. Accordingly, it recommended that an independent audit of this SR and several of its SSRs be conducted. The CCM endorsed this in May 2010. As funds were not available within the CCM, the Global Fund Secretariat agreed to allow the principal recipient to use grant funds to support the audit. Terms of Reference were drawn up by the CCM, shared with the Secretariat and agreed upon.

The Secretariat then had bilateral discussions with the OIG, which to our surprise did not result in any concrete support for the CCM to continue this audit as part of its oversight role. Instead, the CCM was ordered by the OIG to stop the audit; the OIG said bluntly that it would take over. This was resisted by the CCM as it would further delay the process and stop it from being country-led. It was finally agreed that the CCM audit should proceed, and that its report could then be used by the OIG.

“ The CCM was ordered by the OIG to stop [its own] audit; the OIG said bluntly that it would take over... Unfortunately, the [GF] Secretariat was unable and unwilling to protest to the OIG on behalf of the CCM.”

The audit, conducted by an audit firm of global repute, started in early August 2010 and the final report was ready in early October. The OIG insisted it owned the report (because the Global Fund had financed it) and that the report could not be circulated except to the working group of the CCM. Eventually the report was presented to a special CCM meeting in late October. Pursuant to instructions from the Fund, the minutes of that meeting have never been made public and nothing from the audit report has been released, despite the undisputed needs of the PLHIV networks for facts and information so that people could act on the capacity and managerial issues identified. The Global Fund Secretariat and

the OIG were adamant that these documents should remain restricted in case any release of information prejudiced further investigation by the OIG and recovery by the Fund of possible mismanaged funds. Unfortunately, the Secretariat was unable and unwilling to protest to the OIG on behalf of the CCM, who clearly and frequently said that the networks were beginning to fall apart as more allegations were being thrown around. Furthermore, some SSRs were suffering financially as funds were not being released, causing them to fear they were being victimized for being whistleblowers.

Over the months, CCM-India's clear analysis of the situation in the country and of the need to mitigate the problem with some redacted information fell on deaf ears, as did requests by the CCM for an urgent meeting with the OIG and the Secretariat. The OIG remained remote and intransigent, saying that nothing was to be released and that they would move forward themselves.

Finally, on 5 April 2011, the OIG made a draft verbal presentation to the CCM about its own investigation. Despite the OIG's earlier criticisms of the CCM audit, the OIG's findings were, in fact, very similar. The OIG promised that its final report would be provided in 4-6 weeks, and that this could probably be made public.

In the eight weeks since then, nothing has been made available to the CCM, and the networks are in an even worse shape and are still in ignorance of the results of either investigation. They are unable to move forward and in-fighting within them has got worse.

“ [There are] unresolved contradictions between strong country-owned oversight and a remote external OIG; [and there are no] clear and established processes and channels of communication for the CCM to work with the OIG.”

This sorry tale highlights several problems: the unresolved contradictions between strong country-owned oversight and a remote external OIG; the lack of clear and established processes and channels of communication for the CCM to work with the OIG; the consequent challenges the Secretariat faces in articulating country concerns and priorities; the failure of the OIG to consider and react to the situation in-country, focusing only on recovery of potentially mismanaged funds to the detriment of national stakeholders and beneficiaries; and the India CCM's lack to date of an effective way to deal with whistleblowers.

None of these problems are insoluble. Indeed we hope that by analyzing the situation described here, the systemic challenges identified can be acted upon quickly to improve the operational effectiveness of the OIG, Secretariat and CCMs everywhere; and that investigations of alleged misdeeds and their resolution can be speeded up, thereby minimizing the inevitable dislocation and disruptions these pose to ongoing projects.

CCM Working Group, Delhi, India

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2. ANNOUNCEMENT: Volume 1 of Aidspan’s Round 11 Applying Guide Is Released

Will be of interest to potential applicants

Contains extensive description of what is new for Round 11, including new eligibility criteria

Aidspan has released Volume 1 of “The Aidspan Guide to Round 11 Applications to the Global Fund.” Volume 1 is entitled “Getting a Head Start.” The English version of Volume 1 is available now for download on the Aidspan website [here](#). The French-, Spanish- and Russian-language versions should be posted at the same site by the second week of July.

Volume 1 contains detailed descriptions of (a) what is new for Round 11 and (b) the new eligibility and prioritisation criteria, and the new counterpart financing requirements.

In addition, Volume 1 provides an extensive list of technical resources that applicants can use to help develop the technical content of their proposals. Further, Volume 1 provides guidance on how CCMs can manage the proposal development process, including the process of soliciting in-country submissions.

Finally, Volume 1 describes what initiatives the Global Fund will support; summarises the applications process; discusses factors that potential applicants should consider if they plan to submit a regional or non-CCM proposal; and provides a list of documents that the Global Fund recommends applicants read before they prepare their application.

Volume 2 (“The Applications Process and Proposal Form”) will be released as close as possible to the launch of Round 11, expected on 15 August 2011. Volume 2 will contain more details on the Round 11 applications process and provide guidance on filling out the proposal forms.

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3. NEWS: Global Fund Board Approves Extension Funding for Some Expiring Grants

As reported in the Board decisions [article](#) in *GFO 146*, the Global Fund Board has approved exceptional extension funding for expiring grants in situations where continuity of funding will be interrupted because Round 11 is being launched later than originally planned. This article provides further details.

This policy is designed to address a very specific problem: applicants that have existing grants set to expire soon and that were planning on using their Round 11 proposal to continue the activities of the existing grants – but that now face an interruption in funding because decisions on the Round 11 proposals will be made at the first Board meeting in 2012 instead of at the last Board meeting of 2011, as originally planned.

This decision applies to all grants that reach the end of their term after 30 April 2012. To be eligible for the extension funding, applicants shall have already applied for funding in Round 11; no other source of funding shall be available to fully continue the activities of the expiring grant; and the expiring grant shall not have been rated “C” in its last two disbursement requests prior to applying for the extended funding.

Under the policy, applicants whose Round 11 proposal is approved can receive extension

The full video (422 MB) in .mov format can be downloaded from Vimeo [here](#). (One has to join Vimeo in order to be able to download the video, but there is no charge for joining.) An 8-minute trailer is available for viewing on YouTube [here](#). The YouTube version can also be viewed on the United Nations Foundation site [here](#).

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5. NEWS: Limited Data Available on MSM, Sex Workers and Transgenders

Global Fund releases report on analysis of Rounds 8, 9 and 10 proposals

Relatively little epidemiological data exist on men who have sex with men (MSM), transgender persons, and male, female and transgender sex workers. This is one of the conclusions of a study conducted by the Global Fund on to what extent Rounds 8, 9 and 10 proposals addressed the needs of these populations.

The study analysed 247 HIV proposals submitted in the three rounds combined. This includes proposals screened out by the Global Fund Secretariat (i.e., deemed ineligible), proposed not recommended for funding, and proposals approved for funding.

The study found that only 24% of Round 8 proposals contained estimates on the size of these population groups, a proportion which grew to 32% in Round 10. Even smaller proportions of the proposals included activities to establish population size.

Only 22% of Round 8 proposals contained any prevalence data for these groups, although the proportion rose to 25% and 34% in Rounds 9 and 10, respectively. Only 7.7% of all 247 proposals contained prevalence data for the transgender population.

The Global Fund adopted the Sexual Orientation and Gender Identities (SOGI) strategy two years ago to improve access to programmes for these populations.

The study found that more than three-quarters of the proposals included at least one “element” related to the SOGI populations. However, the term “element” was very broadly defined; it included epidemiological data, service provision, and participation and representation. Thus, if proposal said that a CCM member had academic or programming experience related to one of the SOGI population groups, this would be counted as an element.

Most proposals contained some activities to address the needs of MSM and sex workers. Very few contained activities for transgender persons. For example, In Round 8, 67% of proposals included at least one activity targeting at least one of the SOGI populations. Sixty-one percent targeted sex workers, and 51% MSM, but only 10% transgenders. The numbers for Round 10 were as follows: 56% targeting at least one of the SOGI populations; 48% sex workers, 44% MSM, and 11% transgenders.

(The study noted, however, that the proportion of funded proposals that included at least one prevention activity aimed at the transgender population grew from 6% in Round 8, to 20% in Round 9 and 22% in Round 10.)

Generally, the trend between Round 8 and Round 10 varied, depending on the data element being analysed. For example:

- The proportion of proposals that included at least one treatment activity declined over time, from 39% of all proposals in Round 8, to 33% in Round 9, and to 32% in Round 10.

- The proportion of proposals with at least one activity to reduce stigma and promote the rights of people living with HIV rose from 25% in Round 8, to 33% in Round 9, and to 39% in Round 10.

The study also compared proposals received in Round 10 through the regular funding channel and those that were submitted through a dedicated funding reserve for most-at-risk populations (the so-called MARPs reserve). Proposals approved through the MARPs reserve channel contained 11% more prevention, care, support and anti-stigma activities than the general HIV proposals. In addition, the activities in the MARPs proposals were described in greater detail.

The authors of the study stated that grant applicants in all three rounds demonstrated a commitment to addressing the needs of the population groups identified in the SOGI strategy. The authors also stated that their findings “suggest” that applicants are broadly aware that the HIV epidemic disproportionately affects marginalised populations and that the responses must reflect this.

Finally, the study recommends that the Secretariat give applicants more specific guidance on devising programs for the target populations, help the Technical Review Panel better understand programmes targeted to the population groups, share models of good practice, and proactively address the gaps in data and programmes.

Aidsplan comment

A study of this kind may reveal some broad trends, but the findings have to be interpreted with caution. The authors of the study acknowledge that there were many limitations. Some of the data are not particularly useful. For example, how useful is it to know how many proposals contained an "element" related to the SOGI populations, when "element" is defined so broadly? How useful is it to know how many proposals contained at least one activity targeting, say, sex workers, with knowing anything about the nature of the activity (or activities)? A study that analysed the extent and quality of the activities targeting SOGI populations would have been more useful, even if the study had been conducted only for a limited number of proposals. Admittedly, such a study would have been much more complicated to design.

The report, entitled “Analysis of Rounds 8, 9 and 10 Global Fund HIV Proposals in Relation to Men Who Have Sex with Men, Transgender People and Sex Workers,” is available on the website of the Global Forum on MSM and HIV [here](#). The report has not been posted on the Global Fund website.

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6. NEWS: Report on KPIs for 2010 Shows Mixed Results

New KPI on community systems strengthening will be added for 2011

Independent review of KPI framework planned for this year

In 2010, eight out of the nineteen Global Fund key performance indicators (KPIs) due for 2010 year-end reporting either achieved or exceeded their targets, seven performed moderately, and four under-performed.

This information is contained in a report prepared by the Global Fund Secretariat for the Policy and Strategy Committee (PSC) of the Board. The Global Fund Secretariat reports twice a year on results achieved for each indicator.

There are 23 KPIs in all, but four of them were not due for reporting in 2010. The Global Fund uses KPIs to measure performance at the corporate level. Some KPIs cover performance by Global Fund grant recipients; others cover performance by the Secretariat.

Areas where the Global Fund performed well in 2010 included the following:

- continued strong performance of the grant portfolio, with 80.5% of all grants performing well (i.e., achieving 60% of targets or better), against a target of 85%; and performance against the top ten indicators at 96% of target (against a target of 90%);
- strong civil society involvement in grant implementation, with 38% of funds allocated to civil society organisations (against a target of 35%);
- substantial improvements in disbursement efficiency (see below); and
- 85% of grant performance reports published within two weeks of a disbursement (against a target of 90%), compared to 61% in 2009.

With respect to disbursements: (a) the monetary value of the disbursements reached 100% of the forecast (against a target of 90%); (b) disbursements were more evenly spread out during 2010, compared to 2009; and (c) the average speed of disbursements was 23 calendar days in 2010 (against a target of 21 days), a strong improvement over the 2009 result of 35 days.

Areas of under-performance in 2010 included the following:

- average time for grant signing remains at about 11 months (against a target of eight months);
- significant under-performance of two of the three fundraising indicators; and
- women occupying only 29% of higher-level positions in the Secretariat (against a target of 45%).

For 2011, a new KPI on community systems strengthening (CSS) has been added, bringing to 24 the total number of KPIs. The CSS KPI will involve the Fund tracking the amount of funding for CSS interventions as a percentage of total approved funding. In addition, the Fund will be monitoring the performance of CSS indicators in all grants.

The precise wording of the CSS KPI is as follows:

- a. Percentage of approved funding for Community Systems Strengthening (CSS) interventions in new Rounds out of the amount of total approved funding; and
- b. Overall performance of CSS indicators (average percent of targets achieved) across the entire portfolio.

Round 10 data will be used as the baseline for both sub-indicators.

The wording of several other indicators was modified.

Independent review

An independent review of the KPI framework was planned for the second quarter of 2011. The objectives of this review are (1) to assess the continued appropriateness of KPIs for monitoring the performance of the grant portfolio and of the Secretariat; (2) to make recommendations on the accuracy of the KPI data; and (3) to make recommendations on improving the KPI framework and aligning it with the Global Fund's reform agenda and strategy.

Information for this article was taken from (a) the "Report of the Finance and Audit Committee," available at www.theglobalfund.org/en/board/meetings/twentythird (see Document BF/B23/6); and (b) "Performance Indicators: Mid-Year Report on Results for 2010 and Proposed Modifications for 2011," a report prepared for the Policy and Strategy Committee in October 2010. The latter report is not available on the Global Fund website.

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END OF NEWSLETTER
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This is an issue of the *GLOBAL FUND OBSERVER (GFO)* Newsletter.

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