



Independent observer
of the Global Fund

Global Fund Observer

NEWSLETTER

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Editor's Note: *This very long issue of Global Fund Observer is devoted primarily to coverage of the new funding model (NFM). We report on decisions announced over the weekend to award funding to three early applicant countries and four interim applicant countries. We summarise the comments of the Technical Review Panel on the first wave of concept notes. We provide an analysis of the NFM allocation methodology. Finally, we report on the results of an investigation by the Office of the Inspector General into grants to Georgia. We did not have space in this newsletter to report on additional funding decisions taken over the weekend. Please see the [section](#) near the end of this newsletter with links to GFO Live articles on renewal and extension funding, and on a No-Go decision concerning two malaria grants to the Republic of Congo. See also the links to two articles describing the Global Fund's risk management approach.*

[1. NEWS: First Concept Notes Are Approved](#)

The Global Fund Board has approved funding for three concept notes submitted by Myanmar, one from El Salvador and one from Zimbabwe. A total of up to \$449.8 million in indicative and incentive funding was awarded.

[2. NEWS: TRP Observations and Lessons Learned on First Wave of Concept Notes](#)

The Technical Review Panel has issued a report providing feedback on the first wave of concept notes. This article provides a summary.

[3. NEWS: Funding Approved for Four More Interim Applicants](#)

The Global Fund Board has approved a total of up to \$40.5 million to extend a malaria grant in Chad, a TB grant in Papua New Guinea, two TB grants in Kenya, and two malaria grants in Mozambique. All four were interim applicants under the new funding model.

[4. ANALYSIS: The NFM Allocation Methodology Explained](#)

With only several months left before the full rollout of the new funding model, the methodology that will be used to determine how much money is allocated to each applicant is still not very well known. In fact, some of the details have yet to be worked out. In this article, David Garmaise explains the methodology based on the information currently available, and identifies which aspects are not yet decided.

[5. NEWS: TRP and GAC Comments on the Funding Awarded to Myanmar](#)

This article provides a summary of the comments of the Technical Review Panel and the Grant Approvals Committee on new and renewal funding recently approved for Myanmar.

[6. NEWS: Early Applicant Funding for Zimbabwe to Be Combined with Funding from a Round 8 HIV Grant](#)

As reported in the first article in this issue, the Global Fund has awarded up to \$278.9 million in new funding to Zimbabwe, an early applicant. The new funding will be combined with existing funding for HIV. During grant making \$31 million in unfunded quality demand was identified.

[7. NEWS: Comments on the Funding Awarded to El Salvador](#)

This article provides a summary of the comments of the Technical Review Panel and the Grant Approvals Committee on new and renewal funding recently approved for El Salvador.

[8. NEWS: OIG Investigation in Georgia Reveals That Two Suppliers Conspired to Obtain Contracts](#)

The Office of the Inspector General has uncovered what it calls “credible and substantial evidence” that two suppliers for programmes supported by Global Fund grants in Georgia worked together to steer contracts to each other, and that they were assisted in this effort by several staff members of the principal recipient. The PR denies the allegations and says that it is arranging for an “independent” audit.

See [section](#) near the end of this newsletter listing additional articles available on GFO Live.

ARTICLES:

1. NEWS: First Concept Notes are Approved

Board awards funding to Myanmar, El Salvador and Zimbabwe

The Global Fund Board has approved funding for five concept notes submitted by three early applicants in the transition phase of the new funding model (NFM). The three countries involved are Myanmar, El Salvador and Zimbabwe. Total approved funding was up to \$449.8 million. The Board approved the funding by electronic vote. The decision was made public on 15 June. These constitute the first funding approvals for early applicants.

The Board also approved funding for interim applicants from three countries; see the third article in this newsletter.

The following table provides details on the amounts of funding that were approved.

Table: Funding approved for three early applicant countries

Country	Disease	Approved funding ceilings (\$ million)		
		Indicative funding	Incentive funding	Total funding
Myanmar	HIV	39.5	30.0	69.5
	TB	26.3	14.0	40.3
	Malaria	26.0	12.0	38.0
El Salvador	HIV	20.2	2.9	23.1
Zimbabwe	HIV	278.9	NIL	278.9
Total		390.9	58.9	449.8

As indicated in the above table, the amounts approved are ceilings. The final amounts determined during grant negotiations could be less.

In all cases, the ceilings approved by the Board are different from the amounts announced for these countries when the NFM was launched on 28 February. For Myanmar, the amounts of indicative funding approved for the HIV, TB and malaria components were, respectively, \$39.5 million, \$26.3 million and \$26.0 million. The amounts originally announced were, respectively, \$32.0 million, \$24.0 million and \$21.0 million.

For El Salvador (HIV), the indicative funding ceiling approved was \$20.2 million; the amount originally announced was \$17.0 million. For Zimbabwe (HIV), the indicative funding ceiling approved was \$279.0 million; the amount original announced was \$245.0 million.

When the original amounts of indicative funding for early and interim applicants were announced, the Global Fund said that the final approved amounts will differ. For early applicants, the amounts of funding have been adjusted during the country dialogues. Another factor that could cause the final

amounts to differ is that the overall amount of funds available for the transition can be adjusted over time; the Finance and Operational Performance Committee reviews this amount on a quarterly basis.

With respect to incentive funding, when the NFM was launched, the Global Fund estimated that \$87 million would be available for all early applicants combined. For Myanmar, El Salvador and Zimbabwe combined, the Board has awarded up to \$58.7 million. In theory, this leaves \$28.3 million for the remaining three early CCM applicants – Democratic Republic of Congo (HIV), Kazakhstan (TB) and Philippines (TB). However, the total amount of incentive funding available may be revised over time.

The concept notes were reviewed by the Technical Review Panel (TRP). In all cases, the TRP found the notes to be technically sound. It rated each note as Category 2. In the rating system that the TRP is using for the transition phase, a Category 2 rating means: “The concept note is technically sound, with issues to be clarified by the TRP, with or without issues to be clarified by the Secretariat, and is recommended to proceed to grant-making.” (The next article in this issue summarises the report of the TRP on early applicants.)

The concept notes were also reviewed by the Grant Approvals Committee (GAC). For Myanmar and El Salvador, the notes were reviewed in conjunction with requests for renewal of funding for existing grants.

The GAC provided narrative comments on the concept notes. See separate articles in this issue on the comments of the GAC for Myanmar, El Salvador and Zimbabwe.

Information for this article was taken from Board Decision B28-EDP-24 and from Board Document GF-B28-ER18, the Report of the Secretariat Funding Recommendations for June 2013. The latter document is not available on the Global Fund website. The text of the Board decision will be included in an electronic decisions document to be released after the Board meeting in Sri Lanka (18–19 June).

[This article was first posted on GFO Live on 15 June 2013.]

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2. NEWS: TRP Observations and Lessons Learned on First Wave of Concept Notes

“The notes were technically sound and strategically focused”

Problems encountered with how indicative and above indicative amounts were presented

The Technical Review Panel (TRP) has provided feedback on its review of the first wave of concept notes. This article provides a summary of what the TRP said.

The TRP reviewed three concept notes from Myanmar, one for each disease, and HIV concept notes from El Salvador and Zimbabwe. The TRP panel consisted of 16 people, including four HIV experts,

three TB experts, three malaria experts and six cross-cutters. The TRP report did not include the TRP's funding recommendations; these were provided separately to the Grant Approvals Committee.

The TRP said that all concept notes presented a consolidated funding request which included existing grant funds. It said that \$1 billion was requested in the five concept notes combined. This included \$205 million of existing grant funds, \$391 million of indicative funding and \$419 million of "above indicative" funding. ("Above indicative" refers to any amount that is above the indicative funding ceiling provided to applicants.)

The TRP said that Myanmar's total above indicative funding request represented 53% of its full need, according to its financial gap analysis table.

The TRP said that all five concept notes were technically sound, strategically focused, and aligned with national strategies. The TRP said that this applied to both the indicative and above indicative funding requests. However, the TRP said, not all concept notes provided a breakdown between requests for indicative and above indicative funding. It said that this made it challenging for the TRP because it was requested to make recommendations on the indicative and above indicative funding separately. (This topic is further discussed below.)

Issues concerning the concept note process

The TRP said that this was the first time it has been involved in "early engagement" with applicants prior to the submission of concept notes. This early engagement was done via the Secretariat. The TRP said that this process was useful for the subsequent formal TRP review of the concept notes, but that it was not without its challenges. The challenges included the following:

- Some of the comments provided to applicants were not taken into consideration when the final concept note was submitted.
- The confidentiality of the TRP reviewers was not always maintained.
- Due to the short timeline for early engagement, there was limited time to allow for wide consultation among TRP members.

The TRP said that given the fact that country teams were intimately involved in the concept note development process, the TRP deliberately delegated more actions to the Secretariat for follow-up than had typically been done during rounds-based reviews. The TRP added that the country teams and technical partners will face huge demands when the NFM is fully rolled out. The TRP identified three areas where this demand would manifest itself: (a) scaling up support for concept note development; (b) stewarding the requested clarifications and translating the outcomes into disbursement-ready grants; and (c) managing incentive funding and unfunded quality demand.

Issues concerning the content of the concept notes

The TRP said that the concept notes provided the right level of detail in terms of providing a strategic description of the funding request. However, the TRP said that the level of budgetary information, and the way that information was presented in the modular template, made it difficult for the TRP to undertake the level of budget scrutiny that occurred in the past. This might be okay if further scrutiny of budgets takes place during the grant-making process, the TRP said. However, it added, this

problem prevented the TRP from “giving a firm financial figure for the indicative amount, and it was even more difficult to do so for the above indicative amounts.”

The TRP said that although it was able to prioritise interventions within a concept note, it was not able to assign firm cost ranges to the interventions as they were prioritised. “The lack of a firm cost estimate of interventions makes it even more difficult to rank interventions across concept notes and across countries,” the TRP said.

With regards to the information provided in the concept notes, the TRP made several recommendations, including the following:

- that guidance be provided to applicants on how to provide references to annexes and how to avoid inconsistencies of information between different annexes;
- that the overall funding landscape (not just Global Fund investments) should be clearly described in the narrative of the concept note or in the country team memorandum attached to the concept note;
- that an additional narrative question on health systems and community systems strengthening be included in the concept note;
- and that the concept note elicit information regarding the overall Global Fund investments in a country.

The TRP also recommended that guidance on health systems and community systems, as well as on human rights and gender programming, be developed – ideally for the next wave of early applicants, but definitely before the full roll-out – and that this guidance be made publically available on the Global Fund website.

The TRP recommended that the concept notes be updated to incorporate responses to all clarifications before the notes are posted on the Fund’s website. The TRP said that it recognises that this may require some additional effort on the part of the applicants, but that it would avoid having original concept notes in the public domain that are significantly different from what has been agreed to through the clarification process.

The TRP said that one of the requests it reviewed included a plan to implement the new antiretroviral (ARV) treatment guidelines which will be rolled out in mid-2013. The new guidelines recommend initiating treatment at a 500 CD4 count instead of the current recommendation of 350 CD4 count. The implementation of these new guidelines, the TRP said, will have a substantial impact on current coverage rates and the amount of resources needed. Therefore, the TRP said, the Global Fund needs to prepare guidance on how to invest Global Fund resources for this highly desirable change without undermining other programmes. The TRP recommended that the Board discuss the financial and policy implications of implementing the new ARV guidelines.

The TRP noted that there were a number of ambitious concept notes requesting significant scale-up, but that the feasibility of implementing these programmes was not always clear. The TRP recommended that there be a mechanism for an annual check-in on progress in scale-up.

The TRP said that, in general, the concept notes lacked reliable and appropriate size estimates for most-at-risk populations (MARPs); and that this was particularly evident in the HIV concept notes. The TRP recommended that there be more serious investment and monitoring by the Global Fund and partners in the area of reliable and appropriate size estimates for MARPs.

The TRP also said that there was some evidence that MARPs and human rights were relegated to the “above indicative” funding requests. The TRP recommended that the Global Fund and technical partners emphasise that quality programming for MARPS and for addressing human rights barriers to accessing services are essential; and that these interventions should not receive secondary priority, but rather should be included in the indicative funding request.

The TRP said that it observed two cases where human rights policy changes were cited as critical enabling factors, but: (a) the requested investments to address this were minimal; and (b) there was little evidence in the concept notes of progress in this area from prior Global Fund investments. The TRP said that it also noted one case where prior government commitments to cover recurrent human resource costs had not been met, and where such costs represented a large share of the indicative request, and were also included in the above indicative request.

The TRP said that these cases suggest that the Global Fund has missed opportunities to leverage its considerable influence to advance policy issues that are critical for programme success and sustainability.

The TRP recommended that the Secretariat develop a proactive and structured strategy to work with countries and partners to promote progress in human rights and broader policy issues.

Comments on the new funding model

The TRP said that two aspects of the NFM require further discussion: (1) how indicative and above indicative amounts are presented; and (2) how unfunded quality demand is handled.

Indicative and above indicative amounts. The TRP said that the plan is for applications to be reviewed during a specific “TRP window;” that each window will have an envelope of incentive funding; that the size of the envelope will be based on the number of countries being reviewed; and that interventions will be competing with other interventions for the same disease and with interventions for other diseases. The TRP said that “it fears this may replicate, albeit in a different form, the ‘hit-or-miss’ aspect that was criticised in the rounds-based system.” The TRP said that its fear is that that applicants will wait for a window that has a large amount of incentive funding instead of submitting a funding request when it is most aligned to their own country cycles and needs.

The TRP recommended that prior to the full roll-out of the NFM, there be discussions on how best to operationalize these funding streams to ensure that any unintended negative consequences are managed.

The TRP said that given the way the existing budget information was presented in the modular template, it was difficult to segregate out “indicative” and “above indicative” amounts; and that this could be interpreted as requiring countries to submit multiple budgets. It said that this issue became

particularly challenging when the TRP had to determine the recommended level of incentive funding; and that the TRP ended up spending a large amount of time on this. The TRP recommended that there be clearer articulation of indicative and above indicative funding requests in the narrative of concept notes in the future.

Unfunded quality demand. The TRP said that it understands that quality demand will most likely exceed available resources; and that any unmet quality demand will be kept on a register by the Secretariat for future funding should additional resources become available. However, the TRP said, applicants need to see the added value of the effort required to present their full expression of demand, which is far beyond what is required of them to submit a funding request for the incentive funding that is potentially available. “If applicants are not seeing such value added,” the TRP said, “it is quite possible that they will stop making the effort to express full demand, potentially undermining the purpose for which the Board introduced this provision.”

The TRP said that although this design feature could help leverage additional resources from within and outside a country, an applicant’s expectations that unfunded quality demand may be funded by the Global Fund in the future could have the opposite effect, dampening efforts to mobilise resources. The TRP recommended that in order to mitigate any potential unintended negative consequences, the Global Fund develop a strategy to help leverage other donor and domestic resources.

The TRP said that it is concerned that the “shelf-life” of unfunded quality demand could be quite short because of changing epidemiology, a changing funding and programme landscape, and adjustments in technical guidance for the diseases. The TRP recommended that the Secretariat clearly identify a mechanism for how to validate the relevance of unfunded quality demand when there is an opportunity to fund such demand.

The Report Of The Technical Review Panel (TRP) On The First Wave Of Early Applicants In The Transition To The New Funding Model is available on the Global Fund website [here](#). Look for “New Funding Model.”

[This article was first posted on GFO Live on 14 June 2013.]

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3. NEWS: Funding Approved for Four More Interim Applicants

Chad, PNG, Kenya and Mozambique will receive a total of up to \$40.5 million

The Global Fund Board has approved up to \$40.5 million for four interim applicant countries: Chad, Papua New Guinea (PNG), Kenya and Mozambique. The Board decisions were based on recommendations from the Grant Approvals Committee (GAC). This brings to five the number of interim applicant countries that have received funding. In May, the Board approved funding for Pakistan (see [GFO article](#)).

Chad was awarded \$5.0 million for malaria initiatives that will be added to an approved but not yet signed malaria grant from the Transitional Funding Mechanism (TFM). Papua New Guinea (PNG) was awarded \$9.5 million to top up an existing TB grant. Kenya was awarded \$13.0 million to top up two existing TB grants. Mozambique was awarded \$13.0 million which will be added to two existing malaria grants for which the Board also approved renewal funding.

All of the above amounts are ceilings; the amounts finally committed could be less.

The ceilings approved by the Board are very similar to the amounts announced for these countries when the NFM was launched on 28 February. The Global Fund has said that the final amounts awarded could differ from what was original announced.

This article provides a summary of the comments from the GAC on the new funding for Chad, PNG and Kenya. We have published a [separate article](#) on GFO Live on the GAC's comments on new and renewal funding for Mozambique.

Chad

The NFM funding for Chad will be added to a TFM malaria grant which is expected to be signed by the end of June 2013. The grant will run for two years. The principal recipient (PR) is FOSAP (Fonds de Soutien aux Activités en matière de Population). The funds from the NFM will be used to scale up the next mass distribution campaign of long-lasting insecticide-treated nets (LLINs) planned for April 2014. The 918,000 LLINs purchased with NFM funds will bring total LLINs purchased under the new grant to 4.8 million. When combined with the government's contribution of 1.4 million LLINs in 2013, and 1.2 million LLINs being distributed under an existing grant, Chad is expected to reach universal coverage of LLINs by 2014.

The GAC said that Chad is an "extreme-risk country with weak capacities." However, it said, the risks have been adequately mitigated through planned implementation arrangements. These arrangements include the following: (a) FOSAP is receiving technical assistance in finance, M&E and public health; (b) a fiscal agent has been in place since December 2012; and (c) UNICEF, which will be a sub-recipient under the new grant, will be in charge of all procurement and logistical operations.

Papua New Guinea

The NFM funding for PNG will be used to extend an existing Round 6 TB grant (PNG-612-G07-T). This grant, the only TB grant awarded to PNG, is scheduled to end on 30 June 2013. It had been scheduled to end in September 2012, but received a nine-month no-cost extension. The extension was granted because of delays in implementation by the original PR (following an OIG audit and investigation) and a subsequent change in PR.

The GAC said that the current PR, World Vision, has improved the grant's performance rating to A1 and A2 in the last two quarters. The NFM funding will extend the TB grant to 31 December 2014. It will allow PNG to continue providing the services funded by the grant and also increase the reach of these services. The NFM money will fund the following interventions (among others):

- expanding DOTS (direct observational therapy, short course) to all 89 districts (up from 67

districts currently);

- improving quality of care and increased treatment adherence (designed to increase the treatment success rate from 69% to 85%);
- expanding the number of labs participating in external quality assessment;
- improving reporting from the health facilities;
- increasing supervision of health facilities; and
- improving multiple-drug-resistant TB (MDR-TB) diagnosis, patient care and surveillance in 13 facilities.

Kenya

The NFM funding will be used to top up two single-stream-of-funding TB grants: KEN-S11-G11-T (\$4.0 million), for which the PR is the African Medical and Research Foundation (AMREF); and KEN-S11-G12-T (\$9.0 million), for which the PR is the Ministry of Finance. Both grants performed well in the latest period (A1 ratings).

The GAC said that Kenya has reversed the upward trend of the burden of TB disease and that there has been a sustained decline in prevalence, incidence and mortality attributable to TB. However, the GAC said, Kenya still has unmet needs that are hindering the full realisation of the TB and TB/HIV control targets, and solid progress towards the millennium development goals (MDGs).

The NFM funding is expected to address this gap, increase coverage of services and improve care given to patients and affected populations. The additional funding will also enable Kenya to address emerging challenges in childhood TB control, an area which was not included in the current grant.

The additional funding is designed to meet several objectives, including the following: (a) to improve diagnosis of multiple-drug-resistant TB (MDR-TB); (b) to enhance M&E and surveillance; (c) to increase TB case finding in high prevalence areas; and (d) to provide therapeutic and supplementary feed to an additional 13,602 severely malnourished patients.

See also the first article in this issue on funding approved for early applicants.

Information for this article was taken from Board Decisions B28-EDP-25 and B28-EDP-26 and from Board Document GF-B28-ER18, the Report of the Secretariat Funding Recommendations for June 2013. The latter document is not available on the Global Fund website. The text of the Board decisions will be included in an electronic decisions document to be released after the Board meeting in Sri Lanka (18–19 June).

[This article was first posted on GFO Live on 15 June 2013.]

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4. ANALYSIS: The NFM Allocation Methodology Explained

There is a fair consensus among stakeholders that, in theory at least, the iterative process for funding applications under the new funding model (NFM) – which involves the development of concept notes and a process of country dialogue – is a significant improvement over the rounds-based applications process. The iterative process is being pilot tested now among early applicants. Conceptually, it is relatively easy to understand, though some questions remain about how the process is being implemented.

Much less is known about the methodology for allocating funding to applicants under the NFM. This methodology is far more complicated than the way in which funding was allocated in the rounds-based system. This is not surprising since there wasn't really any allocations process in the rounds-based system.

Many details of the allocation methodology have yet to be finalised. And exactly how this methodology will impact access to funding by middle-income countries – and particularly most-at-risk populations in those countries – is not yet clear.

This article summarises what Aidsplan knows about the funding allocation methodology. We indicate where some decisions about the methodology have yet to be made. We also indicate where something is not clear. At the end of the article, we provide some comments from the Secretariat.

We identified five steps in the allocation methodology.

First and second steps

At the beginning of the Global Fund's three-year allocation period, the Fund determines the total amount of resources available for the period. This is the **first step**. Once this information is available, the **second step** is to determine a disease split for the resources available (referred to as the "portfolio-wide disease split"). In the transition phase, the portfolio-wide disease split was based on the Fund's historical split. A different methodology will be in place for the full rollout of the NFM. This methodology is still being developed.

The Global Fund Secretariat told GFO that the portfolio-wide disease split will be used as an input into the allocation methodology and that, as such, it will influence the overall amount of funding allocated to a country. It is not clear exactly what this means.

Third step

The **third step** is to run the country allocation model. For this purpose, countries are first assigned to one of four bands on the basis of ability to pay and disease burden. The bands are as follows:

Band 1 Lower income Higher burden	Band 3 Higher income Higher burden
Band 2 Lower income Lower burden	Band 4 Higher income Lower burden

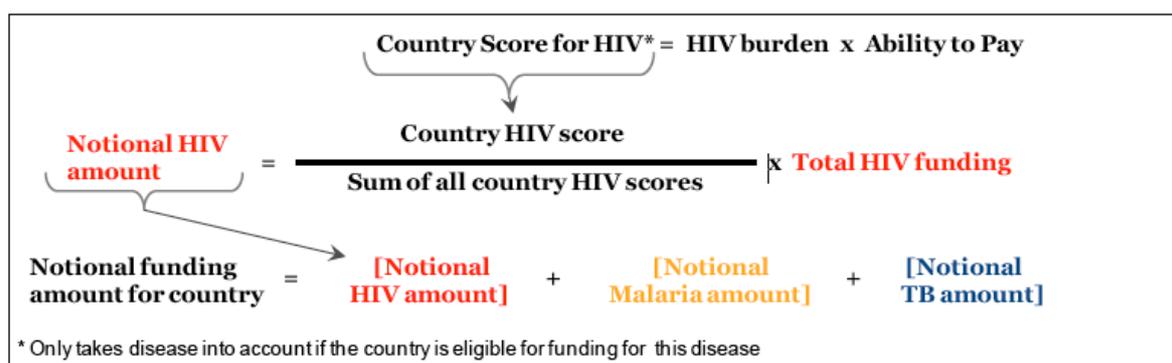
Precisely what the cut-off points will be for each band – and the composition of each band – is not yet known.

For countries in Bands 1–3, running the allocation model involves calculating the “notional” shares for each country. To do this, a formula based on income level (ability to pay) and disease burden is applied. (We call this the “income/burden formula.”) The formula looks something like this:

- First, for each disease, a country score is derived by multiplying a disease burden factor by an ability to pay factor.
- Second, for each disease, the notional country share for the disease is derived by dividing the country score by the total scores of all countries.
- Third, the notional country shares for each disease are added up to determine the total notional country share.

This is depicted in the following diagram, taken from a paper prepared for the Strategy, Investment and Impact Committee (SIIC) in October 2012.

Figure 1: Income/burden formula for calculating notional country shares



A version of this formula was used for the applicants in the transition phase. We do not know the precise details of the formula that will be used for the full rollout. The SIIC is working on refining the formula. The final formula will be adopted prior to the full rollout of the NFM.

The notional shares cover all funding, indicative and incentive. At a later stage, when the country shares are added up to determine the total funding for each band, amounts for the incentive funding stream will be carved out of the total funding.

The amount generated by the income/burden formula is then adjusted to take into account two factors that can be quantified: (a) available sources of external funding; and (b) minimum required level of funding. For the Transition Phase, prior to funding amounts being communicated to early applicants, further adjustments were made based on two qualitative factors: (a) performance and impact; and (b) absorptive capacity.

Table 1 contains the information we have on how these quantitative and qualitative factors are being applied during the transition period.

The Global Fund has said that these adjustments are based on general guidance, including standard adjustment ranges, and that they take into account country-specific contexts. The Grant Approvals Committee makes the final determination concerning all adjustments.

The Global Fund told GFO that for the full rollout of the NFM, the application of the qualitative factors will be adjusted based on lessons learned during the transition.

Additional qualitative factors (see Table 3 below) may alter the final allocations for each country. In the transition phase, these were not applied until after the country had been provided with its indicative funding amount.

Table 1: How the quantitative and qualitative factors are applied during the transition when the country allocation model is run

Factor	Application
Available sources of external funding	Adjustments are made to account for the distribution of support from other major donors. Adjustments are limited to +/- 50%.
Minimum required level of funding (MRL)	It may be necessary to adjust allocations to countries to ensure that their financial commitments do not fall below an MRL. MRLs are calculated per disease by holding constant their average disbursement level over 2010-2012 for the first year and then reducing it by 10% in each of the following two years of the allocation period.
Performance and impact	This adjustment is based on an average for past grants for (1) programmatic results against targets and (2) progress towards impact. The range is generally between -30% and +10%. In a memo to the Board on 7 March, Executive Director Mark Dybul cited the following example based on a fictitious country: The weighted average performance for the disease component was 95% (A-). Regarding impact, the component was initially assessed as "having limited progress towards impact," but this was later revised to "having progress towards impact." Consequently, the amount was adjusted upwards by 5% to \$105 million.
Absorptive capacity	The amount derived from the income/burden formula for the disease component is compared with the spend rate and the amount spent over the past three years. A review is held to judge whether a downward adjustment is warranted. Dr Dybul said the following concerning the example he cited: The \$100 million represented 90% of what that country had spent annually over the last three years, so no adjustment was made for this factor.

For Band 4, the countries with lower disease burden and higher income levels, the Global Fund Board mandated that a separate methodology be developed so that these countries would not be disadvantaged as they might have been if their allocations were based on disease burden and income. The Global Fund says that the Band 4 methodology approved for the transition phase is as follows: The amount for each country, as determined by applying the income/burden formula, was compared to set funding amounts based on the country's population size; whichever amount was higher was used for that country's allocation. The Global Fund Secretariat told GFO that the population-based amounts for the transition period were set such that total funding to countries in Band 4 was kept at its current level of 7%. For the full rollout of the NFM, the population-based ceilings will be determined only after the amount of available funding is known. During discussions on the allocation methodology at the SIIC at the beginning of 2013, an example of population-based ceilings was

provided. See Table 2.

Table 2: Example of possible population-based ceilings

Population	Potential ceiling
Fewer than one million	\$5 million
Between one and five million	\$11 million
Between five and 10 million	\$21 million
Over 10 million	\$27 million

We stress that the above is ONLY an example of how this might work.

Band 4 countries are also subject to possible adjustments based on (a) available sources of external funding; and (b) minimum required level of funding. The Band 4 methodology may be revised for the full rollout.

The Secretariat told GFO that to ensure that countries in other bands were not unfairly disadvantaged, if their formula-based amounts were lower than the equivalent population-based amounts, their final allocation was also based on the higher population-based amounts.

Fourth and fifth steps

The **fourth step** is to determine the split, for each band, between indicative and incentive funding. Before that can happen, the allocations for each country in a given band need to be added up in order to arrive at the total for that band.

In the past, this is what the Global Fund said about how the amounts of incentive funding will be determined:

The Fund will determine what resources are required to meet applicants' prioritised needs and then allocate resources to the indicative stream sufficient to cover these needs. The difference between prioritised needs identified and total available funding will be allocated to the incentive stream.

However, the Secretariat told GFO that the methodology for determining the split between indicative and incentive funding is being "re-thought" by the Secretariat and will be considered again by the SIIC. As part of that process, the SIIC will be reviewing whether and how the concept of "prioritised needs" will be used. Decisions on these matters are expected to be made by the end of 2013.

The **fifth step** is to provide each country with its indicative funding amount, and to let the countries know how much incentive funding is available for the band that the country is in. (The idea is that countries compete for incentive funding with other countries in their band.)

When the Secretariat provides each country with its indicative funding amount, it also provides the country with what the Global Fund calls the "calculated" disease split. This split is based on the calculations that were used to arrive at the notional share for that country.

However, each country will be able to determine the actual split for its allocation. In the transition phase, a country may vary the calculated split by up to 10% without having to explain why. Anything over 10% has to be explained. Something similar will be applied to the full rollout. Countries that choose to apply for a separate health systems strengthening component will need to carve the money for that component out of the indicative funding amount provided.

After a country has been given its indicative funding amount, and during the country dialogue, the amount may be adjusted based on the following qualitative factors: (a) willingness to pay (counterpart financing); (b) need to mitigate risk; and (c) increasing rates of new infections in lower prevalence countries. Table 3 contains information on how these qualitative factors are being applied during the transition.

Table 3: How the additional qualitative factors are applied during the transition at the stage when each country is provided with its allocation

Factor	Application
Willingness to pay	Based on the percentage of funds that countries commit above counterpart financing requirements, the Global Fund may increase its contributions by up to 15%. Dr Dybul said that the country in his fictitious example was assessed by the Fund's Counterpart Financing team as contributing domestic resources far above the minimum threshold defined by the counterpart financing policy. Thus, Country A was a strong candidate for upward adjustment, but the country had to commit that the current trend will continue and provide evidence of this commitment.
Need to mitigate risk	The Global Fund may increase the amount for a country if there is a need to finance risk mitigation measures to bring the country up to the minimum standards for risk.
Increasing rates of new infections in lower prevalence countries	If increasing rates of new infections can be at least partially attributed to insufficient funding, an upward adjustment may be considered. The ceiling for this adjustment is 5%.

As indicated above, for the full rollout of the NFM, the application of the qualitative factors will be adjusted based on lessons learned during the transition.

Comments from the Secretariat

In response to concerns expressed by Aidsplan that many critical details of the allocation methodology have yet to be determined, the Secretariat said that developing a new funding model is a tremendous undertaking; and that it is a work in progress, and will be until it is fully implemented in 2014. That is what was envisioned, the Secretariat said, and that is what is happening.

The Secretariat said that it understands the desire by many implementers to have a simple system, and one that is fair. But it said that for the system to be fair – and to reach the goals of increasing impact, accessing full expression of demand, and keeping the portfolio global – the details will not be simple. It is intended that, wherever possible, the complexities are kept at a Secretariat level and not passed down to the countries.

[This article was first posted on GFO Live on 14 June 2013.]

5. NEWS: TRP and GAC Comments on the Funding Awarded to Myanmar

Renewal funding of \$168.4 million added to what Myanmar will receive as an early NFM applicant

When the Global Fund Board approved early applicant funding for Myanmar for all three diseases (see first article in this newsletter), it also approved funding for the renewal of existing grants for these diseases. The total funding approved for Myanmar is shown in the following table:

Table: Funding approved for Myanmar, both new and renewal

Disease	Funding approved (\$ million)			Total
	Renewal funding	Early applicant funding		
		Indicative funding	Incentive funding	
HIV	91.7	39.5	30.0	161.2
TB	42.4	26.3	14.0	82.7
Malaria	34.3	26.0	12.0	72.3
Total	168.4	91.8	56.0	316.2

The Global Fund provided one narrative to explain the comments of the Technical Review Panel (TRP) and the Grant Approvals Committee (GAC) for both the new funding and the renewals. This article provides a summary of the comments.

The GAC commented on the effectiveness of the Myanmar Country Coordinating Mechanism (M-CMM) and said that with strong support from major donors – including the UK, Australia, Japan, the EU and the US – the M-CCM will be transformed into the Health Sector Coordinating Committee, a partner coordination mechanism for the entire health sector in Myanmar, through which all donor funds will be coordinated with government resources.

The renewal funding is for grants for all three diseases that originated in Round 9 and that are currently being managed by the United Nations Office for Project Services (UNOPS) and Save the Children. (Each PR manages one grant for each disease.) The NFM funding will combined with the renewal funding.

HIV

The GAC said that the existing HIV grants being managed by UNOPS and Save the Children performed well in their initial phases. The GAC said that there is an opportunity at this time in Myanmar to ensure that Global Fund investments reach vulnerable populations that have previously been beyond the reach of key health services.

The activities included in the concept note aim to lower HIV transmission and HIV-related

morbidity, mortality, disability and socio-economic impact. The activities are designed to reduce service coverage gaps of key treatment interventions and to increase coverage of prevention activities among key affected populations. In addition, the activities involve the expansion of harm reduction programmes to new areas with high transmission – for example, the conflict areas bordering China where HIV prevalence is estimated to be as high as 30%.

When it reviewed the concept note, the TRP said that the focus of the note – on scaling up ARVs, combined with prevention activities among persons living with HIV, men who have sex with men, and female sex workers – was appropriate. The TRP also said that the concept note was generally well aligned with the national strategy; that there is a synergy between the activities in the concept note and Myanmar's TB proposal; and that the principal recipients (PRs) appear to have the capacity to absorb additional funds. The TRP also applauded the fact that a community feedback mechanism is in place for monitoring the scale-up of ARVs.

TB

The GAC said that the National TB Programme is heavily dependent on external resources for its financing. The Global Fund is the primary source of funding, contributing about 37% of the funding need and 70% of the currently available funding.

The GAC said that the challenges of the current implementation period of the existing TB grants – and the risks for the next implementation period – include a general lack of Global Fund experience in Myanmar; delays in the procurement of health products; complex mechanisms for getting funds to the government; and delays on the part of the government in issuing operational memoranda of understanding to international NGOs.

The GAC said that both PRs demonstrated consistent improvement in programmatic and financial performance throughout the current implementation period. Performance across the Fund's top ten indicators was 100%. However, the results for one indicator – multiple-drug-resistant TB (MDR-TB) – were only 44% of target. This GAC said that this was largely due to the low enrolment of MDR-TB patients which, in turn, was due to procurement delays and a global shortage of second line drugs at the Global Drug Facility (GDF).

When it reviewed the concept note, the TRP said that the main focus areas of the note are in line with a recent joint programme review, and that they reflect the main priorities of the national strategic plan. The TRP asked for 10 clarifications.

In its review, the GAC stressed the need to increase active case-finding. The GAC also said that the MDR initiatives in the concept note were insufficient.

The TRP clarifications and the GAC recommendations were addressed during the grant making stage. With respect to active case finding, the Ministry of Health agreed to expand health services in remote areas. Regarding MDR-TB, the GAC said that the coverage will increase from 38 townships (currently) to 100 townships in 2016. As a result, a total of 2,808 MDR-TB patients will be treated over four years. The GAC said that “although coverage levels are still woefully inadequate, it is nonetheless an important step forward in terms of MDR-TB program scale-up.”

In its review of the concept note, the GAC commented on the weaknesses of data systems in Myanmar. According to the GAC, the Secretariat's country team for Myanmar said that the weaknesses will be addressed through a strategic initiative agreement with the government, co-financed by the Global Fund. The initiative will focus on strengthening the disease management information systems for the entire country, and on strengthening capacity for routine surveillance systems for all three diseases, including human resource capacity building in M&E at township, state and regional levels.

Malaria

The Global Fund is the primary source funding for the National Malaria Control Programme (NMCP), contributing about 19% of the funding need and 71% of the currently available funding.

The GAC said that the challenges of implementing the malaria grants in Myanmar are similar to those for the TB grants (see above). It said that the results of both PRs against certain indicators were affected by a rapid decline in malaria cases. The overall performance rating for both PRs in the current implementation period is B1.

The GAC said that the interventions proposed for the next implementation period are fully aligned with the National Strategic Plan for Malaria 2011–2015. The focus is on increasing the LLIN coverage in high-risk areas and on some moderate-risk areas, and on providing testing and malaria treatment.

In its review of the concept note, the TRP said that the note builds on approaches that have been proven to be effective in the local and international context, and that the interventions are at a scale that has potential for impact. The TRP noted that there is good involvement of partners in the implementation plan. The TRP asked for 15 clarifications.

In its review of the concept note, the GAC recommended that during grant-making and implementation greater attention be paid to coordination, and to ensuring synergies and complementarity of investments with partners that are co-financing the NMCP.

The TRP clarifications and the GAC recommendations were addressed during grant making.

Information for this article was taken from Board Decision B28-EDP-24 and from Board Document GF-B28-ER18, the Report of the Secretariat Funding Recommendations for June 2013. The latter document is not available on the Global Fund website. The text of the Board decision will be included in an electronic decisions document to be released after the Board meeting in Sri Lanka (18–19 June).

[This article was first posted on GFO Live on 15 June 2013.]

6. NEWS: Early Applicant Funding for Zimbabwe to Be Combined with Funding from a Round 8 HIV Grant

\$31 million in unfunded quality demand identified

The \$278.9 million in early applicant funding approved for HIV in Zimbabwe will be combined with existing funding from a Round 8 HIV grant. The principal recipient (PR) for this grant is the United Nations Development Programme.

The Global Fund provided a narrative to explain the comments of the Technical Review Panel (TRP) and the Grant Approvals Committee (GAC) on the new funding. This article provides a summary of the comments.

The GAC said that the new funding will build on successes Zimbabwe has achieved in reaching universal treatment coverage. It said that the concept note submitted by the CCM contains an “ambitious combination prevention component that aims to massively improve access to testing and counseling and condoms.”

Some of the new funding will be used to introduce high impact interventions such as male circumcision. The goal is to circumcise 720,000 men by 2016.

When the TRP reviewed the concept note, it asked for 15 clarifications. In the GAC’s review of the concept note, it recommended that TB and HIV integration be strengthened; that the activities in the note focusing on human rights and policy reform be better explained; and that the health systems strengthening and community systems strengthening activities be clearly defined and differentiated.

The TRP clarifications and the GAC recommendations were addressed during grant making. Cost efficiencies achieved during the discussions on the grant agreement were re-invested in priority areas recommended by the TRP and the GAC, including prevention activities for most-at-risk populations.

The GAC said that although it believes that the Global Fund should continue to invest in the health worker retention scheme in order to safeguard the achievements of the Round 8 grant, there is a need for discussions to continue with the government and other stakeholders with a goal to getting the government to commit to gradually assume the full costs of the retention scheme.

During grant making, it was discovered that the unit costs and the buffer requirements for antiretrovirals had been underestimated by about \$57 million. After reallocation of some savings from cost efficiencies, a gap of \$31 million remained. The GAC said that this should be considered unfunded quality demand and it recommended that the amount be included in the unfunded quality demand register.

Information for this article was taken from Board Decision B28-EDP-24 and from Board Document GF-B28-ER18, the Report of the Secretariat Funding Recommendations for June 2013. The latter document is not available on the Global Fund website. The text of the Board decision will be included in an electronic decisions document to be released after the Board meeting in Sri Lanka

(18–19 June).

[This article was first posted on GFO Live on 15 June 2013.]

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7. NEWS: Comments on the Funding Awarded to El Salvador

Renewal funding of \$3.9 million added to the NFM early applicant funding

When the Global Fund Board approved early applicant funding for El Salvador for HIV under the new funding model (NFM), it also approved funding for the renewal of two existing HIV grants. The amount of renewal funding approved was \$3.9 million. When combined with the \$20.2 million in NFM indicative funding and the \$2.9 million in NFM incentive funding, total funding awarded to El Salvador was \$27.0 million.

The principal recipients (PRs) for the two existing HIV grants are the Ministry of Health (MOH) and the United Nations Development Programme (UNDP). Both grants are single-stream-of-funding. The early applicant funding will be combined with the funding for two existing HIV grants.

The Global Fund provided one narrative to explain the comments of the Technical Review Panel (TRP) and the Grant Approvals Committee (GAC) for both the new funding and the renewals. This article provides a summary of the comments.

The GAC said that both existing grants performed well in their first implementation period. The main focus for the next implementation period will be doing prevention work in key affected populations, covering gaps in the treatment programme and strengthening the prevention-of- mother-to-child transmission (PMTCT) component. Comprehensive services will be provided for men who have sex with men, transgender populations and female sex workers. In addition, testing and prevention services for prisoners will be provided. In the first implementation period, prevention activities were directed primarily at the general population.

During the first implementation period of the grant being managed by UNDP, work started on transitioning to a new PR. In the concept note, the CCM proposed the local office of Plan International as the new PR. The CCM said in its concept note that the Plan International office received extensive technical assistance and training in 2012. The GAC said that the local fund agent has been asked to assess the capabilities of the Plan International office, and that the Global Fund Secretariat will carry out a more detailed assessment during grant making and will include risk mitigating measures in the grant agreement if any such measures are needed.

When it reviewed the concept note, the TRP asked for several clarifications. When the GAC reviewed the concept note, it recommended that the funding allocation for PMTCT be reviewed and that the government be asked to finance a greater share of this programme; that more of the cost savings from efficiencies be directed towards prevention in key affected populations; that more funding be allocated to improving quality of care for persons living with HIV; and that more be done

to improve the quality of epi data.

The TRP clarifications and the GAC recommendations were addressed during grant making. The budget for PMTCT was reduced significantly after the government agreed to a corresponding increase in its share of the co-financing. The PR transition plan was finalised.

The GAC said that there is a need for a more regional response to HIV in Latin America. It suggested that El Salvador is in a good position to push for this because it currently holds the presidency of the regional coordinating mechanism under the Council of Ministers of Health of Central America (COMISCA).

The GAC said that UNAIDS and its partners are initiating a policy dialogue in Central America, with a view to (a) better focusing HIV investments where they will have the greatest impact, with particular attention to men who have sex with men, transgender people and other key affected populations; and (b) supporting countries to access needed resources.

Information for this article was taken from Board Decision B28-EDP-24 and from Board Document GF-B28-ER18, the Report of the Secretariat Funding Recommendations for June 2013. The latter document is not available on the Global Fund website. The text of the Board decision will be included in an electronic decisions document to be released after the Board meeting in Sri Lanka (18–19 June).

[This article was first posted on GFO Live on 15 June 2013.]

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8. NEWS: OIG Investigation in Georgia Reveals That Two Suppliers Conspired to Obtain Contracts

Suppliers were assisted by the PR, OIG says

PR denies the allegations

The OIG says that it has uncovered “credible and substantial evidence” that two suppliers for programmes supported by Global Fund grants in Georgia worked together to steer contracts to each other, and that they were assisted in this effort by several staff members of the principal recipient (PR).

The allegations concern HIV and TB grants. The PR for all Global Fund grants in Georgia is the Global Project Implementation Center (GPIC). The suppliers in question were Zimmer Ltd. and Siesta Ltd.

The OIG recommended that the Global Fund seek to recover \$859,000 from GPIC in relation to this scheme.

GPIC denied the allegations in the OIG report and said that it is arranging for an “independent” audit.

The OIG said that GPIC had contracted with Zimmer and Siesta to implement a food voucher programme for HIV and TB patients. Under this programme, patients who complied with their drug regimens received vouchers which could be exchanged for food and toiletries at participating stores.

The OIG said that although Zimmer and Siesta submitted separate bids for the contract as two distinct companies, they were “functionally one and the same.” In addition, the OIG said, the two bids bore striking similarities, “sufficient to establish that it is more likely than not that the same person prepared both.”

The OIG said that Zimmer was created by Siesta employees who concurrently worked at both companies even when they were competing against one another for food voucher contracts; that both companies used the same registered address and vehicles; that Zimmer and Siesta were operated by the same staff; and that Siesta’s Manager appeared on Zimmer’s payroll.

In addition, the OIG said, Zimmer and Siesta only competed against one another in tenders when a third company participated in a tender. It said that at all other times, one or other of the companies participated, but not both.

The OIG said that GPIC staff had “a less than arms-length purely commercial relationship with the founders of Zimmer and Siesta.” It said that GPIC staff routinely prepared business documents related to the food vouchers for the two suppliers.

The OIG said that the tendering process for the food voucher contracts was neither competitive nor transparent. It said that by steering contracts to Zimmer and Siesta, GPIC effectively gave these companies a monopoly on the food voucher contracts.

The amount that the OIG said should be recovered, \$859,000, represents the total amount of service fees “currently identified” as having been paid to Zimmer and Siesta for the food voucher contracts since 2008. The OIG further recommended that in future Zimmer and Siesta and their respective founders not be allowed to receive contracts from Global Fund–financed programmes.

In addition, the OIG recommended that GPIC be replaced as PR.

The OIG said that since 2003, the Global Fund has committed \$84 million to Georgia, of which \$72 million had been disbursed by December 2012. Until 2011, the PR for the grants was the Georgia Health and Social Projects Implementation Center (GHSPIC), part of the Ministry of Health. Within GHSPIC, there was a unit dedicated to managing Global Fund projects. On 1 April 2011, the OIG said, this unit separated from GHSPIC and formed GPIC. GPIC then became the PR for Round 6 malaria and TB grants and a single-stream-of-funding HIV grant. The OIG said that according to GPIC officials, GPIC is a private entity.

Zimmer and Siesta were contracted by both GHSPIC and GPIC.

The OIG said that its investigation was “significantly limited” by the suppliers’ unwillingness to cooperate with requests for the production of documents. The OIG said that GPIC did not believe

that the suppliers were obligated to comply with the OIG's requests for information, despite the fact that this obligation is spelled out in the Global Fund's Code of Conduct for Suppliers.

The OIG said that Crown Agents, the local fund agent (LFA), failed to fulfil its obligations with respect to these contracts. The OIG said that when a third supplier failed to obtain one of the food voucher contracts, the supplier sent an email to a member of the country team at the Global Fund Secretariat expressing concerns about the tendering process. The OIG said that the email was shared with the LFA but that the LFA did not even review the tender documents. "Had the LFA properly performed its fiduciary function in this case," the OIG said, "it would have been able to identify and notify the Global Fund of the procurement irregularities."

The OIG recommended that the Global Fund Secretariat re-evaluate the ability of the LFA's country team to carry out its responsibilities.

On another matter, the OIG said that GPIC used grant funds to make salary payments to the domestic partner of a GPIC senior manager, and that the OIG could find no evidence that the individual performed any work for GPIC in relation to the payments. The OIG said that the senior manager in question "aided and abetted" the receipt of these funds by his domestic partner by executing an employment contract in her favour and authorising monthly bank wire transfers to her.

The OIG recommended that the Global Fund seek to recover \$24,300 from the GPIC senior manager. This represents the amount the OIG said was improperly paid to the domestic partner.

Reaction to the OIG's findings

GPIC

GPIC has denied all of the allegations made by the OIG. The report of the investigation contains detailed comments from GPIC. It also contains a letter from a representative of GPIC asking the OIG to review its comments and to consider creating "a special commission which, in contrary to the OIG's investigators, can carry out the comprehensive and objective review and reinstate the impeccable reputation of GPIC and its officers which was fully tainted by false conclusions of the report." (The name of the representative was not included in the version of the report that was made public.)

In the section of the report that contained the comments of GPIC, the OIG responded to each comment. The OIG made a few minor changes to the wording of the report in response to the comments from GPIC, but the OIG said that it stood by all of the findings in the report. (The OIG told GFO that GPIC did not provide any evidence that could refute the findings and conclusions in the OIG's report.)

When asked to comment on a draft of this article, GPIC said that the allegations of misappropriation in the OIG's report concerned GHSPIC, not GPIC. GPIC said that GHSPIC, which was the PR from 2003 until April 2011, was a "legal entity of public law, founded by the State of Georgia." GPIC said that it is not the legal successor of GHSPIC, despite the fact some of the people who worked for GHSPIC are now employed by GPIC, and despite the fact that GPIC assumed responsibility for

GHSPIC's contracts with suppliers for the food voucher programme.

GPIC said that it was not clear what the OIG was implying when it said "by steering contracts to Zimmer and Siesta, GPIC effectively gave these companies a monopoly on the food voucher contracts." GPIC said that it was not even theoretically possible for it to have steered contracts because all contracts were awarded through open, competitive bidding.

For these reasons, GPIC said, and because there is no avenue for it to appeal the OIG's findings, "GPIC deems necessary to invite [an] internationally recognized independent audit ... to invalidate wrong statements and allegations. As soon as the report of independent audit become available, it will be shared with Aidspan, the Global Fund and other stakeholders."

LFA

When asked to comment on a draft of this article, the LFA, Crown Agents, said that it does not consider that it failed in its obligations as LFA because, at that time, Crown Agents' contract did not include resources to review procurement. In addition, Crown Agents said, "as the OIG report itself acknowledges, there was no level-of-effort for a procurement member of the local LFA team and no instruction to focus on procurement issues."

(The OIG report said: "Although the level of effort agreed with the LFA at the time did not require the LFA's Country Team to review bid proposals and tender committee minutes, the [third supplier's] complaint should have prompted the LFA's Country Team to conduct a more detailed review of the tender in question.")

Crown Agents told GFO that the implication that Crown Agents failed to review tender documents when matters were brought to its attention "significantly overstates what course of action was open [to it]. The team had neither the resources nor the instruction or mandate to conduct such a review. Such an instruction would have had to come from the Global Fund Secretariat, and it is not within Crown Agents' understanding of their remit for their team to have decided unilaterally to open an investigation."

Crown Agents said that, subsequently, the Global Fund requested that Crown Agents add a procurement expert to its LFA country team, and that Crown Agents had done so.

Global Fund Secretariat

In a letter included in the report, Global Fund Executive Director Mark Dybul said that the food voucher scheme was halted in January 2013 and that Zimmer and Siesta were no longer operational. Dr Dybul said that when the Secretariat received a draft of the OIG report on 15 February 2013, it developed an action plan to address the findings. He said that the action plan included putting in place a temporary fiscal agent "to provide oversight and control ... until a new Principal Recipient is put in place." Crown Agents told GFO that the fiscal agent is now in place.

Dr Dybul said that the Secretariat will also conduct an assessment of the food voucher programme.

The OIG's report on its investigation in Georgia is available on the Global Fund website [here](#).

[This article was first posted on GFO Live on 15 June 2013.]

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NEWS: [Request for Phase 2 Funding for Two Malaria Grants in Republic of Congo Is Declined](#)

The Global Fund Board will not approve funding for Phase 2 of two Round 8 malaria grants to the Republic of Congo. In February, the country had been given notice by the Global Fund Secretariat of intent to recommend a No-Go for this grant.

NEWS: [New Funding for Mozambique Will Focus on Scaling Up Prevention](#)

When the Board approved \$13 million in malaria interim applicant funding for Mozambique, it also approved \$72 million in renewal funding for two existing malaria grants. A large portion of the funding will be used to scale up malaria prevention.

NEWS: [Funding Approved for Phase 2 of Tanzania HSS Grant](#)

The Global Fund Board has approved \$38.2 million in funding for Phase 2 of a Round 9 health systems strengthening grant to Tanzania. The GAC said that this grant represents a strategic investment with the potential to enhance health systems and to improve health outcomes for the three diseases.

NEWS: [Funding Approved for Next Phase of TB Grant to Ecuador](#)

Phase 2 funding in the amount of \$2.9 million has been approved for a TB grant to Ecuador. The grant is being managed by Care Ecuador.

NEWS: [Extension of Rwanda HIV Grant Approved](#)

Rwanda has received a two-year extension to an HIV grant. The Global Fund Board awarded \$151 million in funding based on recommendations from the Grants Approvals Committee and the Technical Review Panel.

NEWS: [NGO and Communities Delegations Review Recent NFM Developments](#)

This article provides a summary of the outcomes of a meeting of the NGO and Communities delegations on the Global Fund Board to discuss recent developments in the implementation of the new funding model. At the meeting, staff from the Secretariat acknowledged that the allocation model needs to be better explained.

NEWS: [Description of the Global Fund's General Approach to Managing Risk](#)

The Global Fund has established a Grant Management Assurance Framework, also referred to as the “risk framework,” that sets out the Global Fund’s risk management approach. The Framework is described in a report prepared by Chief Risk Officer Cees Klumper. This article summarises the Fund’s general approach to managing risk. A separate GFO article examines specific measures to combat fraud.

NEWS: [Specific Measures at the Global Fund to Reduce the Risk of Grant Fraud](#)

The Global Fund’s Grant Management Assurance Framework outlines specific measures to combat fraud. This article provides a summary of these measures. A separate GFO article describes the Fund’s general approach to managing risk.

NEWS: [Criminalisation of Gay Sex Hampers Efforts to Fight AIDS, UK House of Lords Says](#)

Members of the House of Lords, the upper house in the UK Parliament, said that homophobia and the criminalisation of gay sex are hampering efforts to fight AIDS, and are a “formidable handicap” for the Global Fund.

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We welcome suggestions for topics we could cover in GFO. If you have a suggestion, please send it to the Editor of GFO (see contact information below).

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