



Independent observer
of the Global Fund

Global Fund Observer

NEWSLETTER

Issue 263: 08 April 2015

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The Global Fund used its 33rd Board meeting on 31 March-1 April to demonstrate its continued maturation as an organization and show that the systems it has put in place are working. Cracking the perfect façade, however, are what appears to be lack of appetite for reform within the Board itself and the reality that unfunded quality demand will remain so.

2. NEWS: Global Fund at eye of perfect storm in financial markets in 2014

The Global Fund is trying to weather a perfect storm of currency fluctuations, new restrictions in international banking and additional financial requirements caused by shortened grants. Thus far, none of the external shocks have caused an interruption in programming, the Board heard during its 33rd meeting.

3. NEWS: "Finally, the Global Fund is focused on human beings": Dybul delivers executive director's report

In his report to the Board as part of its 33rd meeting, Global Fund executive director Mark Dybul reflected on his travels in the first quarter of 2015 and how his interactions at the country level demonstrated that, for all the growing pains experienced initially, the new funding model is doing what it was supposed to do ensure investment for

impact.

4. NEWS: Hauser and Kurtovic the new 'dream team' leading Global Fund Board

A consensus, unanimous vote for the new 'Dream Team' was passed, electing Norbert Hauser of the German delegation and a former interim inspector general as Board chair and Aida Kurtovic, from the developing countries NGO delegation and long-time civil society activist, as vice-chair. Campaigning took place behind closed doors and the vote passed easily as the 33rd Board meeting opened on 31 March.

5. NEWS: OIG releases first "annual opinion" on the Global Fund Secretariat

In a first annual opinion delivered by the Office of the Inspector General, an improved "organizational maturity" within the Secretariat was acknowledged. Still, further enhancements are required, specifically in areas including risk management, governance and internal controls.

6. NEWS: Global Fund Board approves final targets to complete the Corporate KPI Framework

The Global Fund has updated its key performance indicator framework, with targets for measuring performance in areas of human rights prevention and the quality of management and leadership. The first reports of progress on performance were also presented.

7. NEWS: Incentive funding awards reduced to find money to cover gaps in countries with shortened grant durations, TRP says

The Technical Review Panel says that the incentive funding awards it recommended for Window 4 applicants have been reduced by the Secretariat to find money to cover gaps in countries with shortened grant durations. It also says that the shortened grant duration policy means it is unlikely that the register of unfunded quality demand will be funded in full.

8. NEWS: OIG releases annual report for 2014 and an update on agreed management actions

The Office of the Inspector General submitted two papers to the Board at its meeting in Geneva: its annual report for 2014, and an update on agreed management actions implemented by the Secretariat. Separately, the Secretariat provided the Board with an update on recoveries.

9. NEWS: Code of ethical conduct for governance officials adopted

Under the code of ethical conduct adopted by the Board, while governance officials have a responsibility to represent their constituencies, "they are ultimately obligated to work in the best interests of the Global Fund".

10. NEWS: Co-Infections and co-morbidities framework approved

The Global Fund has approved a framework for financing co-infections and co-morbidities (COIM) of HIV/AIDS, tuberculosis and malaria. The framework enables recipients to seek support for using existing resources received from the Fund for effective interventions against COIM, but the Secretariat warned of the likelihood that no additional resources would be forthcoming.

11. NEWS: Progress reported on community, rights and gender initiatives

The Global Fund has provided a progress report on its Community, Rights and Gender Special Initiative, and its Key Population Action Plan. It also provided findings from a review of concept notes submitted in the first four windows.

12. NEWS: Global Fund in three-pronged approach to resource mobilization

Japan will host a kick-off meeting in December 2015 to open the process for the 5th replenishment of the Global Fund's coffers, set to begin mid-2016. While resource mobilization is likely to focus on the traditional slate of donors, more efforts are being made to channel funds from high net-worth individuals and, most importantly, from domestic sources in implementing countries.

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

ARTICLES:

1. NEWS: Maturity and systems theme of 33rd Board meeting

Lauren Gelfand 08 April 2015

Governance reform and eliminating the funding gap remain elusive

The Global Fund used its 33rd Board meeting on 31 March - 1 April to demonstrate its continued maturation as an organization and show that the systems it has put in place are working.

The meeting was long on discussion points -- strategy development, refinement of the new funding model, investments in health systems strengthening, better integration of community, rights and gender -- and short on major decisions. It was down to the business of administering grants -- some \$2.5 billion in 2014 -- in more than 110 countries, as senior Secretariat officials noted in comments to Aidsplan, and less about tinkering with formulas and methodologies.

Stronger and differentiated systems

Some constituencies, however, were keen on more tinkering. Health systems strengthening was the byword of many discussions of how to ensure impact at country level and to ensure more is done by recipients of Global Fund assistance to transition away from needing those grants to sustain disease programming.

In his [presentation to the Board](#), executive director Mark Dybul noted that 35% of the investments approved thus far under the new funding model were designed to assist with HSS, at the national and community levels. How that has been derived, however, has been unclear. Aidsplan anticipates deeper analysis of the HSS component of the NFM once a greater number of concept notes is made public.

The experience of Ebola in three west African states was a reminder that the poorest countries have the weakest systems, many constituencies noted, and that investments in personnel, in equipment and in training might be the best way to ensure a Global Fund legacy. Others demurred, noting that the Fund was strongest when it was doing what it was supposed to: raising and disbursing money to fight AIDS, TB and malaria.

The Fund is not a humanitarian organization nor or a development one, it was said during one particularly lengthy discussion: a discussion likely to feed further debate at the core of the Development Continuum Working Group's work going forward into 2017. Differentiated approaches to different countries (and within the largest countries) that take into consideration the operating and disease burden environments, the 'fragility' of a state and its own internal resources are likely to be the modus operandi for the Global Fund -- as long as a set of core principles and commitments to rights, gender equity and equitable access are adhered to.

“The Global Fund is determined to play a robust role in strengthening health systems during the post-2015 development era,” outgoing Board chair Dr. Nafsiah Mboi said. Mboi and vice-chair Mireille Guigaz, were replaced in the [Board leadership](#) by Norbert Hauser of the German delegation and Aida Kurtovic, a longtime civil society activist in Eastern Europe and Central Asia who hails from the developing countries NGO delegation.

Prioritization of interventions beyond scaled-up treatment to ensure protection for human rights, differentiated approaches for [women, girls and young people](#), as well as migrants and refugees, was also given full-throated support. One delegation member told Aidsplan that while ensuring a gender balance in activities was important, for malaria especially it was also important to note the urban/rural divide as socio-economics are often more relevant to access to treatment than sex. Still another constituency noted that key affected populations are not just identified groups -- they're part of the communal fabric of a nation, able to contribute to economic development when they are healthy, included members of society.

Being a healthy included member of society also means not being at risk of being criminalized for being yourself, which drove a number of constituencies to speak out strongly against the plan to host the first Partnership Forum in Addis Ababa, Ethiopia: one of 34 countries on the African continent where it is a crime to be gay.

The cost of prioritization

All of this prioritization and impact and strengthening bears a price tag, of course -- which Secretariat representatives took pains to remind Board constituencies of during their interventions and responses to constituent questions. Although the Fund has a healthy bank balance for now, and does not anticipate running deficits that could compromise programs, the need to find \$1.1 billion to respond to the decision to shorten some grants under the NFM to front-load them with as much resource as possible remains. Nor is it likely that the register of unfunded quality demand -- currently standing just under \$2 billion -- of programs across the spectrum of prevention, care, treatment and outreach will be funded.

For some constituencies, this carries a risk going into the [5th replenishment](#), for which Japan has offered to host a kick-off meeting in December 2015 ahead of the official launch in mid-2016. If the full expression of demand is not voiced, their argument goes, and the full scale-up of treatment not requested, will it have a downward effect on the amounts pledged by donors going forward?

What is likely to have a larger impact on donors is how well countries are managing the funds they are given -- and the risks to which donor money, as well as donor-supported programs, are exposed. Whether it is financial mismanagement or fraud, problems in the supply chain or hiccups at any point in operations or program implementation, there is always the fear that money is not going to be spent the way it is supposed to.

The [new risk management policy](#) implemented iteratively since 2014 was the topic of two pre-meeting trainings for Board constituencies and observers, as well as a session during the Board meeting. The reality of mitigating risk beyond the corporate level was brought home by several commentators who want more progress made on identifying risk and enabling recipients to mitigate it at the country-level. The current Risk Management Policy is focused at the Corporate level. The next stage, according to the risk team at the Secretariat is to widen this scope.

At corporate level, another element of risk mitigation will come from the integration of a new ethics and integrity initiative into the day-to-day operations of the Fund. Declarations of conflicts of interest will be signed annually by a complement of senior officials within the Secretariat as well as members of Board delegations. Equally, the recruitment of a new ethics officer to replace the acting ethics officer, whose terms of reference are currently under development, will assist in monitoring areas where ethical compliance, or non-compliance, could expose programs to risk.

Governance

Risk doesn't only come from change; it also comes from stagnation. And here it appeared that it was governance of the Global Fund that is at greatest risk. Despite the enthusiasm with which a transitional governance working group was formed in 2014, there was a curious lack of reported progress by that working group during this Board meeting. Discussions around strategy development and how to position the Global Fund's relationships with different countries along the development continuum also neglected to include an element of governance reform as part of the strategy discussions.

This may account for the "3" rating that governance was given in a first annual opinion by the Office of the Inspector General, on a maturity scale of 1-6 (explained in further detail [here](#)), that said that while "internal controls, governance and risk management processes have been defined through institutional policies approved by executive management and/or the Board... they are not applied consistently and are not fully embedded in everyday management practice. They are unlikely to ensure that the organization's operational and strategic objectives will be fully met."

[This article was first posted on GFO Live on 08 April 2015.]

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2. NEWS: Global Fund at eye of perfect storm in financial markets in 2014

Lauren Gelfand 08 April 2015

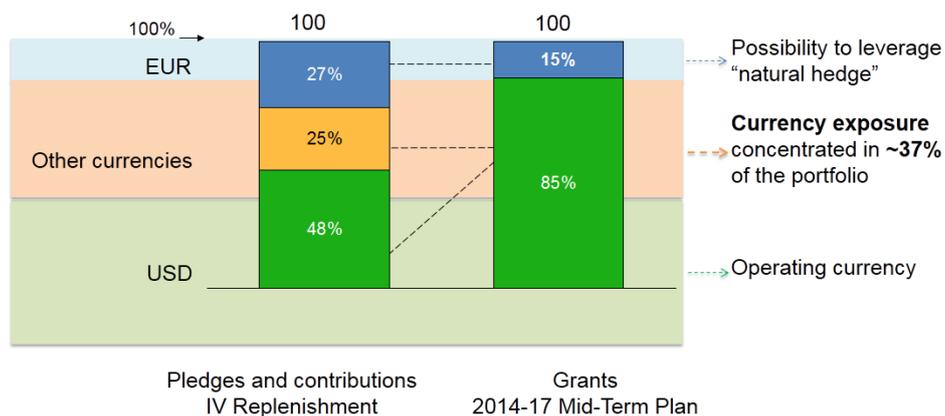
Losses due to currency exchange fluctuations hovering around \$300 million

The Global Fund is confident it will weather a perfect storm of currency fluctuations, a straitened environment in international banking and additional financial requirements caused by shortened grants to face no interruption in services through the end of the 2014-2017 allocations period.

Stark downward trends in global currencies meant that the Fund has experienced some \$300 million in losses from contributions in other currencies against the US dollar, which has so far remained strong. The Fund is "very exposed" to these fluctuations because without its own commercial bank accounts it is technically not yet able to hedge against foreign exchange shifts and declining interest rates, the Board's constituencies heard on 31 March at their 33rd meeting.

Exposure to foreign exchange risk is at two levels for the Global Fund: one, at the Secretariat level, where pledges are converted to contributions in a number of different currencies and then disbursed to countries; and two, at the country level itself, once a global currency -- like the US dollar -- is converted into the local denomination.

Table 1 shows the distribution of currencies coming in and going out.



"It comes in at a different rate and goes out differently, resulting in a structural imbalance," Chief Financial Officer Daniel Camus explained. "We are in a race to beat the fluctuation in currencies."

With the World Bank as its trustee, the Global Fund does not have the maneuverability to respond on its own in as timely a manner as it would wish to the global financial markets. "We are not in a vacuum," Camus explained to the Board. "We are affected by global markets."

So, while the Fund is being "reactive and responsive", its year-long search for a banking institution willing to accept it as a client continues. Part of the problem is that the Fund works in many countries that are not only financially risky but also on a list of prohibited countries for deposits or transactions. This has eliminated a number of banking institutions with a US presence, as have tighter regulations on banks for whom they can do business with.

In the meantime, within the Fund's own financial structures, a new rigor and financial discipline have been emplaced so that the institution as a whole is as sound as it can be in order to weather the external shocks.

Seventy percent of pledges under the 4th replenishment have been converted, guaranteeing that there will be money available to resource the \$10.3 billion in concept notes reviewed by the Technical Review Panel in Windows 1-5. This represents 150 concept notes: roughly three-quarters of the expected 226 that should be submitted under the new funding model. Of those concept notes reviewed, \$2.5 billion in grants has been signed, slightly off the pace envisaged in 2014. At the end of 2014, the Fund had \$4.4 billion in cash on hand, derived from \$3.3 billion in receipts: the same as a year earlier.

Here, too, were challenges born from past practices in financial management within the institution: the high volume of in-country cash balances, particularly in High Impact countries, means that there is less flexibility in the portfolio to move money around where it is needed. Of the cash reserves consolidated outside of the Secretariat, 60% of it was in a few high impact/high risk countries. This is risky for two reasons: one, because in-country cash

balances are vulnerable to currency fluctuation, theft and fraud; and two, because it means that money is essentially locked in to use in a single country, rather than being flexible funds that can be disbursed where needed.

Going forward the Fund will have to "normalize how we disburse cash in countries," to avoid scenarios as at the end of 2013 where \$1 billion was disbursed to various countries in a period of two weeks.

The impact of shortened grant duration and the current \$1.1 billion gap to ensure no interruption in services in those countries with shortened grants was downplayed by Camus as by others in the Secretariat during their various presentations to the Board.

The peak of \$1.8 billion forecast in November 2014 was a 'worst case scenario' that has been mitigated by a closer look at grants that could have been shortened, with a "stricter gap assessment" being undertaken as part of the review by both the Technical Review Panel and the Grant Approvals Committee as concept notes are submitted.

"We have climbed the mountain so are able to provide a better forecast of the impact of shortened grants," Camus said. "Now that the bulk of the concept notes are in, we will be able to improve our forecasting."

There is confidence that this gap will shrink further; still, it is not readily apparent where money will come from to fill the gap, whatever the size, beyond the modest cost-savings, efficiencies and reliance on traditionally slow absorption rates in other countries.

[This article was first posted on GFO Live on 08 April 2015.]

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3. NEWS: "Finally, the Global Fund is focused on human beings": Dybul delivers executive director's report

Lauren Gelfand 02 April 2015

Travels to six countries in Q1 demonstrate breadth of impact of new funding model, ED says

Switching gears from a typical executive director's report to the Board during the Global Fund's 33rd meeting on 31 March, Mark Dybul reflected on the six trips he had made in the first quarter of 2015 that demonstrated what he said were the breadth and flexibility inherent in the new funding model.

Echoing the Office of the Inspector General's assessment that the Global Fund was maturing, he said that it was right and appropriate for the Fund to begin embedding strategy in its design and

development work, "to ensure management for impact".

While acknowledging that there have been delays in submission by country coordinating mechanisms of the concept notes to access the \$14.82 billion in available funding for HIV, TB, malaria and health systems strengthening, Dybul sounded an overall positive note about progress towards ending the three diseases.

In meetings with CCM, PR and government representatives in Papua New Guinea, Honduras, Haiti, Swaziland, South Africa and Zambia, Dybul said he heard consistently that the new funding model was easier -- though still bureaucratic -- to navigate. In recounting a meeting with a nun who has been engaged in Global Fund-supported work in PNG since the outset, he noted that she said, "finally the Global Fund is a humane organization, clearly focused on human beings".

The formula, he said, is still a work in progress, but there are clear signs that it is moving in the right direction as in Haiti, where public hospitals are using health system strengthening funds to improve services available to TB patients. A hospital in Mirebalais, some 60km northeast of the capital Port-au-Prince, can claim a 100% cure rate for TB.

The "21st century partnership led by countries is moving beyond health towards sustainability," as in Honduras, where faith-based and community-based organizations are being tremendously effective in delivering services for malaria.

By integrating Global Fund investments into a full slate of activities, programs and behavior change campaigns, both Zambia and Swaziland are tackling the rising threat of HIV infection among women and girls: the populations most vulnerable to transmission.

"We are not just leveraging resources for disease [response] but for health," he said, also congratulating governments for committing some \$3.9 billion in domestic financing to help support the full slate of envisioned activities across the Global Fund portfolio.

In painting a rosy picture globally, Dybul did also move to try and preempt some of the concerns that have been repeatedly raised by constituencies at the Board level, specifically related to the \$1.1 billion anticipated gap due to shortened grant duration and the likelihood that the register of unfunded quality demand -- currently sitting at around \$1.9 billion -- will not be fully funded.

He also acknowledged the challenges about the sustainability of programs that have traditionally been the purview of the Fund in countries preparing to graduate from Global Fund eligibility and agreed that the pace at which the Fund is moving towards transition has not been completely matched by countries themselves.

He called for efforts, worldwide, to continue "aggressive relationship-building" between civil society and government, in order to link communities to the health system at all levels.

Such linkages were imperative, many constituencies noted in their reactions to Dybul's presentation, evidenced by the current Ebola crisis still gripping three west African states --

which demonstrates the need for integration of disease-specific programs into basic primary health care, wider deployment of community-based initiatives and a mobilization of local resources that goes beyond the financial.

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[This article was first posted on GFO Live on 02 April 2015.]

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4. NEWS: Hauser and Kurtovic the new 'dream team' leading Global Fund Board

Lauren Gelfand 01 April 2015

The pair will serve two years, presiding over the next financial replenishment and an evolution of the allocations methodology

A consensus, unanimous vote for the new 'Dream Team' was passed, electing Norbert Hauser of the German delegation and a former interim inspector general as Board chair and Aida Kurtovic, from the EECA delegation and long-time civil society activist, as vice-chair. Campaigning took place behind closed doors and the vote passed easily as the 33rd Board meeting opened on 31 March.

The pair, introduced by the nominating constituency as 'the dream team', will serve a two-year term through 2017, presiding over the 5th replenishment of the Fund's coffers and what is likely to be contentious debate over how to evolve the allocations methodology that guided the implementation of the new funding model (NFM).

Hauser, of the German delegation, is a former member of the German parliament and has a background in labor law and auditing. In supporting his nomination, one constituency member noted his tireless commitment to the Global Fund that included both participation in the High Level Independent Review Panel on Fiduciary Controls and Oversight Mechanisms as well as a willingness to jump in and act as interim inspector general with less than two weeks of notice.

Aida Kurtovic, who hails from Bosnia and Herzegovina, was the vice-chair of the implementer bloc in the Global Fund Board from 2012-2014, in her role as the Board member for the Eastern Europe Central Asia (EECA) constituency. She was also a member of the SIIC prior to her election as vice-chair.

Kurtovic has strong roots in civil society and a deep understanding of the challenges confronting countries in her region that are preparing to graduate from Global Fund eligibility by the next allocation period. Civil society representatives from EECA told Aidsplan that she was the right choice to help steer the transition process, and support efforts to advocate for increased financing for programs that were the traditional purview of the Fund, specifically

harm reduction activities.

The 33rd Board meeting, which closed on 1 April, marks the last meeting to be presided over by chair Nafsiah Mboi, the minister of health of Indonesia, and Mireille Guigaz, who had served as France's ambassador for HIV/AIDS, TB and malaria. Both women were recently awarded membership in France's légion d'honneur for their lifetime of work to improve access to health for all.

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5. NEWS: OIG releases first “annual opinion” on the Global Fund Secretariat

David Garmaise 01 April 2015

Says organizational maturity has improved, but further enhancements are required

There have been progressive improvements in “organizational maturity” since the Global Fund began its transformation process in 2012, but the Fund still has some distance to travel, according to the Office of the Inspector General (OIG).

On an organizational maturity scale, where 1 represents non-existent controls and 6 denotes a fully optimized organizational model, the Fund rated between 1 and 2 prior to 2012, with significant problems with policies and compliance, and governance, risk management and internal controls. By the end of 2014, the Fund had progressed to a 3, according to the OIG in its first-ever annual opinion, presented at the 33rd Board meeting in Geneva on 31 March.

Much of the progress may be attributed to new institutional policies adopted by the Global Fund, the OIG said, although these policies are not applied as consistently, nor are as fully embedded in day-to-day management, as they should be. Nevertheless the positive trends should continue, the OIG said.

The annual opinion, derived from a 2012 request from the Audit and Ethics Committee, was based on findings from audit and investigatory work in 2013 and 2014, as well as management responses and work done by other quality assurance providers.

The OIG said that in restructuring, many key processes were strengthened. Decisions to allocate more resources to the grant management division, to create high-impact departments, and to assign full-time fund portfolio managers (FPMs) to each high-impact country were cited

as evidence, as were changes to the grant-making methodology including pro-active risk management, iterative country dialogues and the decision to hold FPMs responsible for achieving impact.

Finally, the OIG noted the following additional improvements:

- the new grant management platform currently being implemented will provide management and grant recipients with a modern IT tool
- financial data management and oversight have been improved
- treasury and budgeting functions are now being managed professionally
- the Fund is integrating its procurement and supply chain management activities into a single coherent system
- key weaknesses in governance are being addressed by the Board

To maintain its positive trajectory, the Global Fund needs to invest further in four areas: due diligence, grant oversight, grant differentiation, and combined assurance.

Regarding due diligence, the OIG said that the Secretariat should systematically evaluate the compliance systems, governance structures, integrity, operations and activities of potential implementers and suppliers prior to funding them. In addition, due diligence principles should also be applied to the development of new approaches to funding, such as the results-based funding model.

With respect to grant oversight, the OIG said that the Secretariat should pay greater attention to post-disbursement oversight, including monitoring the activities of grantees, especially financial management activities at the sub-recipient level and below.

The differentiated approach that provides a tailored response to countries in high impact divisions (High Impact Africa I and II, and High Impact Asia) has yet to be extended to other nations, and should be, the OIG said.

Finally, the OIG said that while some progress was made in 2014 to define and initiate a combined assurance model, agreed deadlines have recently been missed and the model is not yet embedded in day-to-day management practices. (“Combined assurance” refers to mechanisms to ensure that risks are effectively managed.)

In a letter attached to the annual opinion, executive director Mark Dybul noted that the four areas of improvement identified by the OIG are included in the 2015 corporate work plan approved by the Board at the 32nd Board meeting in November 2014. Dybul cited several measures that are already being implemented, including new tools for capacity assessments of principal recipients and other key implementers; increased scrutiny over how grant resources are being used; and ongoing risk assessments of grants.

The “Office of the Inspector General annual opinion (GF-B33-07) on governance, risk management and internal controls of the Global Fund” should be available shortly [here](#).

[This article was first posted on GFO Live on 01 April 2015.]

6. NEWS: Global Fund Board approves final targets to complete the Corporate KPI Framework

Kate Macintyre 02 April 2015

Updated performance targets for key performance indicators related to alignment with national reporting systems, human rights protection and the quality of management and leadership approved

The Global Fund Board approved updated targets for three key performance indicators and received an update about Secretariat progress towards achievement of the full slate of 16 indicators at its 33rd Board meeting on 31 March. Favorable performances were reported for 10 of the 16 indicators.

The KPIs are in their first year of measurement; of the 16, 11 have their first results. Ten show strong performance (ie approach, meet or exceed targets) and progress towards one indicator target, the grant expense forecast (**KPI 11**), is lower than predicted because fewer grants have been signed than predicted.

There are no data available for **KPI 5** (the measure of health system strengthening) because of data collection delays where surveys are being implemented. Results are expected before end-2015.

KPI 11 was not met due to a combination of the slow rate of concept note submission and improved financial management systems. Finally, with targets only established this year for human rights protection (**KPI 12**) and the quality of management and leadership (**KPI 16**), reporting can only begin in the next reporting period. The quality of these indicators, and whether their targets were reasonable, were the main topics of debate within the Board, with many delegations expressing concern about the relevance, validity and extent of the measurement of these strategic areas.

A summary of the KPI Framework can be found [here](#). The remaining measures approved at the 33rd Board meeting are below.

Final three indicators with targets now established/reconfirmed

	KPI	Specific Measures	Baselines and Targets	
6	Alignment of supported programs with national	Percentage of investments in countries where Global Fund support is reported on national disease strategy budgets	2014: 92%-(result was higher than target set	2015: 92%

	systems		originally)	
12	Human rights protection	Percentage of human rights complaints against Global Fund supported programs successfully identified through risk assessment tools; and resolved through Secretariat policies and procedures.	<i>Baseline result (2013-14): 30%</i>	<i>2015: year on year improvement with an aspiration of 100%</i>
16	Quality of management and leadership	Management and Leadership Index	2014: 77% of items on the management quality survey received favourable responses - actual result of 2014 survey)	2016: 80% of items on manager quality survey receive favourable responses <i>2015: Submitted to and approved by Board March 2015</i>

Assessments for remaining KPIs for 2014:

KPI 1 – 2 are measures of performance against the strategic goals of saving lives and averting infections and quality and coverage of services. Thirty-three of a target 35 countries met the requirement, a proportional quantification of cases treated.

KPI 3 has seven sub-indicators of performance against service delivery targets. The 2016 target of 7.3 million people on anti-retroviral therapy has already been met. Progress towards performance targets for six of the sub-indicators -- all but the number of treated MDR-TB cases -- appear to be on track.

KPI 4 measures the alignment between the Fund's investment decisions and how they match the needs of countries in terms of disease burden and ability to pay. Results for 2012-2014 showed an 8% improvement over the 2010-2012 period.

KPI 7 is the measure of time from submission of the final iteration of a concept note to the first disbursement of money. Performance in 2014 shows that nearly all grants in 2014 take less than 10 months to complete the grant-making cycle.

The targets for **KPI 8 – 10** were all met. **KPI 10**, the value for money indicator, required an 8% reduction in spending per year for equivalent commodities at equivalent quality and volume. Leveraging the Global Fund's purchasing power using its pooled procurement mechanism meant that this target was exceeded.

KPI 13 represents targets for resources mobilized: the proportion of the replenishment target that was given as pledges and, over time, the percent of pledges converted to contributions. In

2014 only 70% of the pledges were converted to contributions. This target was not met, and was off by around 30%.

KPI 14 measures the percentage of programs accessing funding where government contributions meet the minimum counterpart financing thresholds. Nearly all (97%) of those programs are meeting the minimum requirements.

KPI 15 reports on the efficiency of grant management operations by measuring the proportion of operating expenses to the total grant money under management. 2014's results for this figure were at 2.3%, slightly above the target of 3%.

KPI 16 relates to management and leadership performance against a globally recognized "management and leadership index." The target of 78% suggests that nearly four-fifths of the items on the management quality survey received favorable responses.

The indicators that are difficult to quantify -- human rights and health system strengthening -- are the hardest to measure and provoked the greatest discussion in the open Board session.

"How likely is it," one Board member asked, "that a sex worker, who has had their human rights violated, is going to call the OIG?" Other Board members urged consideration of qualitative assessments of complaints and their resolution, to improve confidence in the human rights indicator, emphasizing that KPIs should be used to manage for impact.

Other constituencies pondered whether the human rights measure was too narrowly tailored to account for violations of rights, rather than with respect to Global Fund-supported activities or programs.

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[This article was first posted on GFO Live on 02 April 2015.]

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7. NEWS: Incentive funding awards reduced to find money to cover gaps in countries with shortened grant durations, TRP says

David Garmaise 01 April 2015

Because of the gaps, will the Fund have any resources to finance unfunded quality demand?

According to the Technical Review Panel (TRP), incentive funding recommendations for components submitted in Window 4 were reduced because the Secretariat "saw no other option to cover gaps for countries with shortened grant durations". The gaps refer to the period

between the end of the shortened grants and December 2017, after which funding from the next replenishment should become available.

The TRP made this comment in an update provided to the Board for its meeting in Geneva that also touched on concerns raised by the TRP related to prioritization, sustainability and delinking treatment and prevention activities.

The shortened grant duration policy gives the Secretariat some flexibility in instances where components received less than the formula-driven allocation amount, or demonstrated the capacity for scaling up programs. The TRP has reiterated that the Board appears to have failed to consider the operational consequences of this policy, one of which is that the Global Fund is unlikely to have additional resources available to finance other applicants that have unfunded quality demand.

Cutting incentive funding awards across the board for Window 4 applicants “does no justice to the careful process of prioritization of incentive funding by the TRP, and it creates additional inequities in access to incentive funding”. More importantly, the TRP said, “it highlights the risks and liabilities stemming from the allocation formula and minimum required level of funding”.

The TRP that the Board should have considered “less complex ways” to increase allocations to countries that did not receive enough money to cover essential services previously covered by the Fund.

Criticism was also leveled against the Fund for not doing more to assess the strategic value of government contributions made to satisfy the counterpart financing requirements. “There is repeated evidence of sub-optimal government allocation of resources, which undermines the Global Fund’s focus on investment for impact,” the TRP said. In the short-term, there should be a stronger push for advocacy on improved investments of domestic resources; similarly, a longer-term objective should be the adaptation of the counterpart financing policy to encourage domestic interventions in high impact interventions or services.

Criticism during the Board meeting session on 1 April was not running only in one direction, however. There were concerns expressed by a number of constituencies about an over-reaching in the mandate of the TRP, which has caused no small amount of confusion at the country level, and about a number of recommendations that emerge in TRP reviews that do not seem to be predicated on a strong evidence base. Sustainability and prioritization of interventions are two areas where, Board constituencies noted, there have been a number of disagreements between countries and the TRP that have taken time and energy to resolve, causing delays in a country's ability to proceed to grantmaking. A review of the TRP mandate and terms of reference is anticipated although there has been no timeline set.

The TRP also said that the focus of proposal requirements in the Fund’s eligibility policy appears to discourage domestic funding for key populations in countries close to transitioning from Global Fund financing. Under the policy, lower-middle-income countries must focus at least 50% of their proposed interventions – and upper-middle-income countries 100% – on under-served and most-at-risk populations or on highest impact interventions. Aidsplan

understands that the TRP fears that the requirement that upper-middle-income countries focus 100% on key populations gives governments in these countries an excuse not to invest in these populations. The TRP recommended that the focus of proposal requirements be adjusted to encourage domestic funding for key populations in transitioning countries.

The “Update from the Technical Review Panel” should be available shortly [here](#). (Look for Board Document GF-B33-10.)

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[This article was first posted on GFO Live on 01 April 2015.]

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8. NEWS: OIG releases annual report for 2014 and an update on agreed management actions

David Garmaise 31 March 2015

Secretariat issues report on recoveries

The Office of the Inspector General (OIG) issued its annual report for 2014 and reported to the Board on the implementation of agreed management actions (AMAs) by the Secretariat as part of a presentation at the 33rd Board meeting on 31 March. In a separate report, the Secretariat provided the Board with an update on recoveries.

While the work was carried out under the direction of Martin O'Malley, who held the IG position until January 2015 when he stepped down for personal reasons, the presentation of the report was a first opportunity for the new IG, Mouhamadou Diagne, to lay out his vision for the office that has weathered a series of personnel changes over the last several years.

OIG audit unit

In the year to December 2014, the audit unit reduced the number of planned audits from 21 to 11, citing staffing considerations among others. All 11 audits were completed, with five reports published in 2014 and another two in early 2015. The remaining four reports will be published shortly.

The audit unit's 2015 workplan includes six internal audits and 10 country audits: Ghana, Nigeria, Tanzania, Uganda, Pakistan, Indonesia, Honduras, Uzbekistan, Chad and South Sudan. Some of the topics to be covered in the internal audits are the effectiveness of country coordinating mechanisms; the methodology for allocating funding to countries; grant-making under the new funding model; and controls to ensure that the Global Fund measures and achieves its strategic objectives.

OIG investigation unit

The OIG's investigations unit has cleared the backlog of so-called legacy cases dating from 2009-2012. In 2014, the unit published 11 reports. At the start of 2014, the unit had 60 open active investigations. During the year, 45 new investigations were started and 53 others were closed (including the 11 published reports), leaving a balance of 52 active investigations at year's end.

In 2014, the investigations unit screened 157 allegations of fraud and abuse, of which 38 became active investigations, 74 were found not to be actionable, and 45 were deemed not to be related to Global Fund projects. Another 21 allegations are awaiting screening. Finally, a further 18 allegations were received related to existing investigations.

The OIG is working with the Secretariat to integrate human rights violation allegations into complaint handling processes. In 2014, the OIG screened 11 reports of potential violations; nine originated from the Fund's Community, Rights and Gender Department and two came through the OIG hotline. After vetting, the OIG determined that because most of the cases could not be directly linked to Global Fund activities, an investigative response was not appropriate; it referred these cases to the Secretariat. However, the OIG is pursuing the remaining cases.

A newly established intelligence and operational excellence team in the investigations unit has analyzed OIG investigations data from 2011-2014 and developed a database of information, which will be used to extract lessons learned and analyze the root causes of fraud and abuse. The database has a search capability and profiles of a thousand entities with whom the Global Fund has worked. The data will help the OIG intervene early to prevent or disrupt fraud before it becomes systematic, lengthy, and costly.

Other developments

In 2014, the OIG created a strategy and policy unit to serve as an incubator for ideas and improvements. The team is piloting new initiatives such as the revised role of the OIG in the recoveries process, and the tracking of agreed management actions in a more effective and transparent manner.

In the second half of 2015, the OIG will develop a communications and training campaign to encourage people to speak out about fraud and corruption in programs financed by the Global Fund. Initially, the campaign will be piloted in two or three countries.

At the end of 2014, the OIG had a head count of 41, just seven shy of a full complement. Since then, five of the vacant positions have been filled. The OIG's budget for 2014 was \$17.1 million; it ended the year underspent by \$4.9 million. This was mainly due to the fact that the audit unit operated for most of the year with just half of its staffing complement.

Agreed management actions

Since the OIG began to track agreed management actions (AMAs) in July 2014, the number of

AMAs implemented by the Secretariat has gone from 93 to 216, a 229% increase. At the same time, the number of overdue AMAs also increased. (AMAs have replaced recommendations in OIG audit and investigation reports. They represent actions that the Secretariat has agreed to implement in response to the OIG's findings.)

The OIG has a procedure for validating and closing AMAs once the Secretariat reports them as having been implemented. From June 2014 through 15 January 2015, the OIG has validated and closed 119 AMAs, leaving 94 still awaiting validation.

The OIG has been tracking progress on five control issues that have yet to be fully mitigated through reforms at the Secretariat: (1) documentation retention and record management; (2) recoveries; (3) grant closures; (4) the accountability framework; and (5) combined assurance. It provided an update on each issue in its report to the Board, as well as comments from the Secretariat's management executive committee (MEC) on the OIG's findings.

The OIG said that controls and processes related to record-keeping, information management and the building of institutional knowledge represent a material risk to the Global Fund. The majority of audits done in 2013 highlighted a lack of documentation and inconsistent record-keeping. Of the 44 AMAs related to documentation and record management, 32 have been implemented. However, there are significant issues regarding the implementation of Salesforce, the Fund's new online grant management platform. The project has been delayed nine months and further delays are likely. The MEC responded that increased resources are being assigned to implement Salesforce.

Recoveries are discussed in the next section of this article.

With respect to grant closures, the OIG noted that an audit conducted in 2013 revealed that 50% of grants due for closure had not yet been closed. This represented 242 grants. The MEC said that 90% of them have now been financially closed, with 55% being both financially and administratively closed.

Concerning the accountability framework, a review conducted by the OIG in 2013 concluded that individual responsibilities in the grant management division were not always well-defined. It cited as examples the relationships between specialists in country teams and technical hubs in grant management that had not been sufficiently delineated; there has also been confusion at times as to who is ultimately responsible for approving grant-related documents.

These issues have been partially addressed with the development of a country team responsibilities matrix. In the OIG report on AMAs, the MEC said that a matrix management project has been established to clarify the roles and responsibilities of stakeholders who have a management control function outside the country teams, and that in February an associated working group of representatives from the relevant units in the Secretariat met for the first time.

Recoveries

In its report to the Board on recoveries of money owed by countries, the Secretariat reported that in January the MEC approved a "last-resort" approach to the resolution of difficult cases.

The approach involves a reduction of the country allocation. If all efforts to recover the funds have failed, the Fund will reduce the allocation to the country concerned by a factor of 2:1. This means that if a country owes \$2.3 million, its allocation would be reduced by \$4.6 million. There was no indication in the report that this approach has already been applied, or where it could be applied.

As of 31 December 2014, the total amount deemed recoverable was \$84.6 million, of which \$20.5 million had been recovered, leaving \$64.1 million still to be recovered. The Fund has received commitments to repay amounting to \$15 million.

The report said that since the inception of the Fund, \$34.4 million has been recovered. This compares to \$29.2 million recovered as of 30 June 2014.

Between 31 December 2014 and the preparation of the report to the Board, a further \$2.2 million was recovered from the Republic of Congo; and a new OIG investigation report on procurement irregularities in Kazakhstan recommended an addition recovery in the amount of \$5.2 million.

The Secretariat said that the process of recovery remained slow in the second half of 2014, but that the pace should pick up in 2015, for reasons including the recruitment of a full-time recoveries officer.

At its meeting in November 2014, the Board asked the Secretariat to develop a methodology for reporting measures taken to recover amounts identified in the course of grant management operations (i.e. separate from recoveries identified by the OIG). The Secretariat has proposed a methodology. Assuming that it is approved, starting in December 2015, recoveries reports will include information on both OIG and non-OIG reported recoverable amounts.

“The Office of the Inspector General 2014 Annual Report” (GF-B33-06) should be available shortly [here](#). “Agreed Management Actions: Status Update” (Board Document GF-B33-08) and “Recoveries Report” (Board Document GF-B33-21) should also be available shortly at the same site.

Read this article [in French](#). Lire l'article [en français](#).

[This article was first posted on GFO Live on 31 March 2015.]

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9. NEWS: Code of ethical conduct for governance officials adopted

David Garmaise 31 March 2015

“Best interests of the Fund must take priority”

While governance officials have a responsibility to represent their constituencies, “they are ultimately obligated to work in the best interests of the Global Fund,” according to a code of ethical conduct adopted by the Board at its meeting in Geneva on 31 March–1April 2015.

The Board also approved the terms of reference of the Ethics Officer. The Fund described these developments as “second stage deliverables” in a three-stage process. The first stage was the adoption of an ethics and integrity framework in November 2014 (see [GFO article](#)). The third stage will include development of mechanisms to further integrate ethics and integrity within Global Fund operations, particularly at grant level.

The Secretariat has prepared a draft of a guidance document on ethical roles and responsibilities of governance officials.

Tension between board members acting in the best interests of the Fund and representing their constituencies was of one two key issues that emerged from consultations on the code of ethical conduct. The other was how the Board should deal with conflicts of interest.

With respect to the first issue, the code states that the best interests of the Fund must take priority. “While governance officials’ responsibilities to constituencies are to be respected,” the code says, the welfare of the Fund come first, and officials should seek advice from the Ethics Officer where constituency requirements conflict with the interests of the Global Fund. “Governance Officials are expected to act with an understanding that the Global Fund’s direction is shaped by incorporating and balancing varying constituency interests.”

The code also states that governance officials are “accountable to the Global Fund” and, in addition, “share accountability to all Global Fund constituencies.”

The draft guidance document states that in order for governance officials to act in the best interests of the Fund, “it is often necessary for [them] to demonstrate flexibility with respect to constituency positions and openness to the views of others”.

Concerning conflict, the code states that “a conflict of interest occurs when a governance official has a competing interest, such as a personal or financial interest, which could have a real, perceived or potential effect on his/her ability to act with the best interests of the Global Fund”.

The draft guidance document provides the following examples of situations that could create conflicts of interest:

- a Board member is hired as a consultant to develop a funding proposal for a Global Fund grant
- a Board member is employed by a manufacturer of health products used in Fund programs
- a Board member is the head of an organization nominated to be a principal recipient

The code of ethical conduct states that experiencing a real, perceived or potential conflict of interest does not constitute ethical misconduct -- provided it is disclosed at the outset.

The code states that if ethical misconduct occurs, remedial actions will be determined on a case-by-case basis and may include formal reprimand, conditional removal from the Board or a

committee, or indefinite removal.

The Ethics Officer will report directly to the Board through the Audit and Ethics Committee. The officer's responsibilities will include, among others, ensuring sound and effective ethical risk management; providing advice to governance officials on ethics matters; and undertaking preliminary reviews of potential ethical misconduct. Where appropriate, the Ethics Officer will refer cases of potential misconduct to the Office of the Inspector General. The Ethics Officer will be located within the OIG for administrative purposes, but will be an independent office. The terms of reference for the position have yet to be approved, which was noted by many constituencies during discussions.

Various constituencies also expressed concern during the Board discussions that the ethics code, too, appeared unfinished. Reservations about voting on a work in progress were, ultimately, assuaged by reassurances from the Secretariat that this was a process that had just begun rather than something that had been completed, providing ample opportunity for further consultations.

The Ethics Officer is appointed to a three-year term, renewable once. Following completion of the term(s), the Ethics Officer will be ineligible for future employment by the Global Fund.

The report (GF-B33-15) on the “Ethics and Integrity Initiative: second stage Proposals” should be available shortly [here](#). The following annexes will also be posted on that site: “Code of Ethical Conduct for Governance Officials”; “Terms of Reference of the Global Fund Ethics Officer”; and “Ethical Roles and Responsibilities of Global Fund Governance Officials” (the guidance document).

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[This article was first posted on GFO Live on 31 March 2015.]

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10. NEWS: Co-Infections and co-morbidities framework approved

Kate Macintyre 07 April 2015

The Board approved a recommendation submitted by the Strategy and Investment for Impact Committee to allow countries to use some of their allocations to fund interventions in response to co-infections that can exacerbate HIV, TB or malaria.

The decision taken at the 33rd Board meeting on 1 April is important because of the considerable potential that new technologies and drugs may have to improve the quality and length of lives of people living with the diseases. It is also seen as a way to scale up new and existing interventions, and to enable countries to increase the quality of services provided to patients, as well as enhance the Fund’s model of country ownership.

The framework approved by the Board defines co-infection as when two or more infections occur either one after the other or at the same time. These can be acute, short-term infections, or longer-lasting chronic infections.

Co-morbidity occurs when two or more conditions exist, and one of them is a non-communicable disease. People living with chronic non-communicable diseases (NCD), such as diabetes or disorders that come from alcohol use (cirrhosis of the liver, for example) are at higher risk for developing TB because of their weakened immune system. As treatment for HIV expands and helps people live longer with the virus, NCD are accounting for a greater proportion of morbidity and mortality among the infected populations.

As one Board constituent noted during discussions on 1 April, there is little point investing in anti-retroviral therapy for someone infected with HIV only to see them become ill from, and die of, cervical cancer.

The range of COIM is considerable and their burdens are rising. Within the range are opportunistic and non-opportunistic infections; AIDS-related or independent cancers and cardiovascular disease; pneumonia and bacterial infections and auto-immune disease, diabetes and liver disease (TB), Hepatitis, diabetes and lung disease (HIV and TB), and many infections related to malnutrition (for HIV, TB and Malaria).

Figure 1. Matrix of HIV, TB, and malaria co-infections and co-morbidities

Global Fund Area	Universe of co-infections and co-morbidities			
	Co-infections		Co-morbidities	
HIV	Opportunistic infections	Invasive candidiasis Isosporiasis Non-tuberculous mycobacteria Coccidioidomycosis <i>Pneumocystis jiroveci</i> pneumonia (PCP) Cryptococcal disease Tuberculosis	AIDs defining cancers	Kaposi sarcoma Non-Hodgkin lymphoma Cervical cancer
		Cryptosporidiosis Cytomegalovirus Toxoplasmosis Herpes simplex Histoplasmosis		Non-AIDs defining cancers
	Nonopportunistic infections		Chronic diseases	Lung
		Hepatitis B Hepatitis C Human papillomavirus Sexually transmitted infections Pneumonia and bacterial infections		Cardiovascular Liver Opiate addiction
TB	Pneumonia and bacterial infections		Autoimmune disease Diabetes Silicosis Tobacco use Liver disease	

HIV and TB	Hepatitis Sexually transmitted infections	Diabetes Lung disease Lung cancer
HIV, TB, and Malaria	Helminths Leishmaniasis Neglected tropical diseases	Malnutrition

The Fund has historically provided routine approval to funding for interventions that screen and treat opportunistic infections (OIs) and approve treatment within the regular clinical good practice for HIV care. While there has been limited support for prevention or treatment of Hepatitis B or C, there has not, however, ever been any direct funding for COIM interventions that may be drivers of morbidity, such as diabetes or heart disease. Nor has there been support for HPV vaccination, cervical cancer screening or efforts to prevent silicosis.

A decision taken at the November 2014 Board meeting to approve ongoing commitment to a select few countries already funding Hepatitis C treatment will continue but the framework now in place will allow those countries still developing concept notes to develop their own investment case for COIM funding. They will, however, have to assess the opportunity costs of funding COIM against other disease-related interventions as no additional money will be forthcoming for COIM.

And the potential bill for these COIM is significant: from estimates of \$6 million / year for hepatitis to treat about 1 million cases to up to \$200 million / year for HPV, to potentially nearly \$376 billion / (estimate for 2010) for diabetes. To provide all those in LMICs with HIV and TB who are malnourished with the basic nutrition they need, WHO estimates \$940 million is needed per year.

The SIIC considered three options for financing COIM: maintaining the current, largely country-driven process; exclude COIM interventions from being eligible for Global Fund financing; or, the approved option, to provide a guidance framework to help with prioritization of scaling existing core interventions and providing countries with a way to make a strong investment case for particularly new or adapted interventions as recommended by and endorsed by the technical partners.

Financing COIM interventions will now be considered where the justification is based on: a strong investment case; is proven to extend life expectancy or to prevent or reduce morbidity and mortality; and is an effective intervention with a significant impact on people living with the diseases.

COIM interventions that would not receive Global Fund support would be those that would detract from, or displace funding for, cost-effective interventions that are already in place. Countries would also have to demonstrate that Fund resources would not displace financial support from other sources or contravene national policy guidelines.

The Secretariat and TRP, which will receive guidance on how to assess COIM funding

requests, will monitor the impact of the new policy at the concept note and grantmaking stages.

[This article was first posted on GFO Live on 07 April 2015.]

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11. NEWS: Progress reported on community, rights and gender initiatives

David Garmaise 31 March 2015

Work started on obtaining key population size estimates in 16 countries

The Global Fund provided an update on its implementation of the \$15 million Community, Rights and Gender (CRG) Special Initiative: technical assistance to improve civil society participation in country dialogue and concept note development, and support for long-term capacity development of civil society networks.

The CRG special initiative has three components:

1. **The CRG technical assistance program**, which has received 50 requests to date, 23 of which have been completed. So far, \$1 million has been spent on this program.
2. **Long-term capacity development for key population networks**, which has been operationalized through a partnership with the Robert Carr Civil Society Networks Fund (RCNF). By February 2015, around \$2.5 million of the \$4 million allocated for this component was approved to fund the activities of RCNF grantees in over 40 countries and every region in the Global Fund portfolio.
3. **Regional civil society and community coordination and communication platforms**, which will see the establishment of six platforms in anglophone Africa, francophone Africa, Middle East and North Africa, Eastern Europe and Central Asia, Asia and the Pacific, and Latin America and the Caribbean. Selection of the hosts will be finalized by June 2015. The plan is to invest more than \$2 million in these platforms in 2015, and a similar amount in 2016.

The report noted that some progress has been made in implementing the Gender Equality Strategy Action Plan adopted in 2014. An information note for applicants on addressing gender inequalities has been prepared. Gender considerations have been integrated into funding application tools. And the Fund has collaborated with partners such as UNAIDS, UNDP and Stop TB to produce gender-specific tools for concept note development.

In late 2014, a gender review of 20 first iteration concept notes conducted by an independent consultant found that many HIV and HIV/TB concept notes had weak gender analysis, while malaria proposals had no gender analysis. Proposed interventions were not always evidence-based, particularly with respect to gender-based violence and HIV prevention for adolescent girls. The review also found a tendency to include programming to address gender-related

barriers to services in “above allocation” requests rather than in the base allocation, making it less likely that these programs would be funded.

In July 2014, the Global Fund launched a Key Population Action Plan. The Action Plan expands the scope of the Fund’s 2009 Strategy on Sexual Minorities and Gender Identity (SOGI). The Fund’s Monitoring, Evaluation and Country Analysis (MECA) Unit began work to implement a program to support innovative approaches to key population size estimates in 16 countries. The Global Fund Board has allocated \$6 million for this work.

According to the report, a review of 24 concept notes submitted in Windows 1-4 found that while HIV and HIV/TB concept notes identified barriers to accessing services for key populations, there were mixed findings from activities proposed to address these barriers. For example, only six notes included a module on removing legal barriers. TB and malaria proposals scarcely mentioned barriers to access but frequently included efforts to strengthen community responses.

The review found that a majority of concept notes lacked comprehensive key population data, or that the data included were considered unreliable. Data on men who have sex with men and on female sex workers were most commonly available, while data for people who inject drugs and prisoners were available less often. Data on key populations affected by TB and malaria were more limited than data on populations affected by HIV. Most countries did present a plan to address these data gaps, however.

For HIV concept notes, a general disconnect in responses for key populations was noted between high levels of HIV prevalence and limited budgetary allocations.

The report's findings mirror those of the Technical Review Panel when it reviewed the concept notes.

The “Community, Rights and Gender Report” (GF-B33-09) should be available shortly [here](#).

[This article was first posted on GFO Live on 31 March 2015.]

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12. NEWS: Global Fund in three-pronged approach to resource mobilization

Lauren Gelfand 02 April 2015

Next replenishment will kick off with pre-meeting in Japan in December 2015

Japan has volunteered to host a pre-meeting for the Global Fund's 5th replenishment conference, kicking off the major resource mobilization effort in December 2015 ahead of the official launch of replenishment in mid-2016.

While it is expected that the bulk of the funds needed for the fight against the three diseases will come from the usual complement of donors, new efforts are being made to channel resources from other sources, including high net-worth individuals in implementing countries. Equally, the Secretariat presentation during the 33rd Board meeting on 1 April emphasized, maximizing domestic investments even beyond the willingness to pay requirements built into all of the grant agreements, remains a top priority.

The Global Fund raised some \$12 billion during the 4th replenishment conference held in December 2013, short of its \$15 billion goal but more than had ever been contributed to the Fund in a replenishment period. Since then, according to the Secretariat's presentation, an additional \$172 million has come in, \$130 from public donors and \$42 million from partners in the private and charity sectors. Other opportunities are being explored with private sector contributors.

Engagement with high net-worth individuals in implementing countries has yielded interesting potential, the Secretariat said, to support programs from their home countries that have been listed in the register of unfunded quality demand. Currently nearly \$2 billion in such programs - ranging from a mass distribution of long-lasting insecticide-treated nets in Indonesia to behavior change programs for children and adolescents around TB and HIV in Mozambique -- has been recorded.

Thus far, \$40 million has been committed from Indonesia's Tahir Foundation and another \$15 million from the Tata Foundation in India. There have, however, been challenges in channelling the money, due to administrative issues that may require the money to come through the Fund's accounts in Switzerland before being returned to their respective countries: a challenge that underscores the timely need for the Fund to address the issue of privileges and immunities and develop its own network of accounts with commercial banks.

Unexplored potential for further partnership may also come from the ongoing but not fully realized Debt2Health initiative, which channels resources in developing countries that would normally be used to service debt repayments into health sector investments that have been identified by the Global Fund.

Still, the greatest untapped resource for more investment in health services, activities and commodities remains implementing countries themselves. While there are requirements across the portfolio for domestic resource commitments, the Fund is working with seven nations it has identified as priority countries-- Côte d'Ivoire, Ethiopia, Kenya, Nigeria, Pakistan, Senegal and Tanzania -- to explore how to leverage even more money. The phased approach begins with extracting the initial commitments to domestic financing (the WTP provisions that hold back 15% of grant funds until governments contribute their share). This is followed by collaborative work with partners -- both local and international -- to promote more innovative fundraising to support costed activities aligned with national strategic plans, and, finally, wider advocacy to harness the power of regional initiatives that can work at the national and regional level to bring more financial support to bear on the disease response.

One constituency noted that collaborations with wider initiatives such as the World Health

Organization's [Partnership for MNCH](#) might be worth exploring for greater opportunities to participate in, and have access to, a wider resource pool.

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ANNOUNCEMENT : [Aidspace releases MENA report](#)

Aidspace on 19 March released its [first-ever regional report](#): a snapshot of 10 countries in the Middle East and North Africa region as classified by the Global Fund.

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