



Independent observer  
of the Global Fund

# Global Fund Observer

NEWSLETTER

Issue 283: 23 March 2016

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6. NEWS: [Kyrgyzstan CCM will likely be integrated into the government's coordination council for public health](#)

Plans are being developed to integrate the Kyrgyzstan CCM into the government body that oversees public health on the grounds that the functions of these two bodies overlap significantly. Civil society and community representatives are concerned that that decision-making powers of the CCM may be diminished as a result. They have also expressed concerns about the process.

7. NEWS: [OIG says that the Secretariat's operational and financial controls are generally effective](#)

The Office of the Inspector has awarded the Secretariat generally high marks with respect to compliance with key internal policies, particularly operational and financial controls. There are some weaknesses, however, in post-disbursement controls and in procurement. The OIG also said that there were significant weaknesses in procurement controls at the level of principal recipients.

## ARTICLES:

### 1. NEWS: EC's pledge of € 470 million represents a strong start to The Global Fund's replenishment campaign

*Advocates meet in Amsterdam to strategize for the replenishment*

Anna Maalsen

21 March 2016

The European Commission is pledging € 470 million to The Global Fund for 2017-2019, an increase of € 100 million, or 27%, over the EC's pledge for 2014-2016.

The pledge, [announced](#) on 3 March, is the first official pledge to the Fund's fifth replenishment campaign. It sends a strong signal to other donors, challenging them to increase their own contributions.

“The EC's contribution ... will contribute to achieve our shared ambition to save eight million more lives and avert up to 300 million infections,” said Nevin Mimica, the European Union's Commissioner for International Cooperation and Development. “I call on others to raise their contributions so that more resilient systems can be built, and the special needs of women and girls and those of key affected populations be better served.”

Commissioner Mimica added that “one of the lessons of the Ebola outbreak in West Africa is the clear need to strengthen health systems in developing countries.”

The Global Fund’s Executive Director, Mark Dybul, commended the EC’s strong leadership in global health. “At a time when Europe faces global challenges like the migrant crisis and climate change, ending epidemics is a top priority that is inter-connected with social stability, education, and expanding opportunity,” he said. Forty-eight percent of The Global Fund’s contributions come from Europe.

At the World Economic Forum in Davos, Switzerland in January, Salesforce, the world’s leading customer relationship management system company, [announced](#) a \$5 million pledge to The Global Fund. This was in addition to a \$1 million pledge made in 2015. Salesforce has confirmed its continued partnership with [\(RED\)](#), the organisation founded by Bono and Bobby Shriver to make it easier for businesses and people to contribute to the fight against HIV, and work towards an AIDS-free generation. RED has contributed more than \$350 million to The Global Fund.

On the advocacy front, participants of the G7 Civil Society Taskforce – which brings together policy specialists, campaigners, and advocates from all G7 countries – sent an [open letter](#) signed by 176 organizations to the G7 Health Experts Working Group, calling for a “truly transformative agenda for health and sustainable development.” The taskforce urged the G7 to “lead the process of the fifth replenishment of The Global Fund to ensure it is fully funded” and highlighted that an investment in the Fund and its new Strategy (2017-2022) will support resilient health systems, which contributes to achieving universal health coverage, a key Sustainable Development Goal (SDG).

The Spanish foundation, [Salud por Derecho](#), (Right to Health) published a provocative [article](#) in El Pais, a national newspaper, pointing out that in the last four years, Spain has not made any donation to The Global Fund, despite having given € 650 million in the last decade, and despite having previously been the fifth largest donor to The Global Fund.

## **GFAN meeting**

The [Global Fund Advocates Network](#) held its annual strategy meeting in Amsterdam on 26-28 January. This key meeting brought together representatives from more than 60 advocacy and other organizations, such as Results UK, Results US, Africa Japan Forum, Malaria No More UK, and the Stop AIDS Alliance.

Also attending the meeting were grantees from the [New Venture Fund for Global Fund Advocacy](#), A U.S. public charity that provides grants to domestic and international projects that are focused on global health and development issues; the civil society delegations of The Global Fund Board; Global Fund Secretariat staff; and technical partners.

Christoph Benn, the External Relations Director at The Global Fund, mentioned the impact that foreign exchange (FOREX) will have upon the replenishment efforts, given that many country’s currencies having decreased significantly against the US dollar. The countries affected will need to increase their pledges (in their own currencies) by 20% just to maintain

their 2014-2016 commitments in US dollars. They will have to increase their pledges by more than 20% to generate additional funding for the replenishment.

Compounding the problem of FOREX is the complex global health environment at the moment, where, in many countries, the three diseases may not be high on the political agenda due to the current refugee crisis. Global Fund Executive Director Mark Dybul warned attendees about making “ending the epidemics” the only message. He suggested that more persuasive arguments need to be packaged around themes such as human rights – gender and LGBTI – and health systems. Dr Dybul also highlighted that increasing mobilisation of domestic resources was an important agenda, particularly for transitioning countries.

### **Other developments**

Dr Dybul was recently in Australia to drum up support for the replenishment. As part of his visit, Dybul delivered the 2016 Harold Mitchell Development Policy Lecture at the Australian National University. (The lecture can be viewed [here](#).) Australia is the [10<sup>th</sup> largest donor](#) to The Global Fund (based on funds committed for the 2014-2016 period), but the Executive Director’s visit comes at a time when Australia’s overseas aid budget continues to decline. The country’s aid budget for the 2015-2016 financial year was reduced by 20%, bringing total aid cuts since 2013 to AU\$ 11.3 billion. Australia is the major bilateral donor in the Indo-Pacific Region.

The Obama Administration in the United States has [presented a 2017 fiscal year budget](#) which sees funding the Global Fund maintained at the same level as the 2016 budget: \$1.35 billion. If Congress goes along, this suggests that the U.S. is on track to contribute at least \$4 billion for 2017-2019, matching its 2014-2016 contribution.

Further north in Canada, Philanthropist Melinda Gates [has urged](#) Canada’s Prime Minister Justin Trudeau to come up with a plan for Canada to reach the international development target of 0.7 % of gross national income. Canada’s ODA budget has been declining over the last decade, falling to about 0.24%. In calling on Canada to boost foreign aid, Ms. Gates specifically mentioned that Canada should make a significant financial contribution to The Global Fund.

In the Nordic countries, Sweden has reduced its 2016 contribution to The Global Fund by 35% as part of overall reductions to its ODA budget. The refugee crisis was cited as the rationale for the cuts. A more detailed report on the Swedish ODA cuts and the reactions by Global Fund advocates can be found [here](#).

It is expected that advocacy efforts will intensify over the coming months in the lead-up to the fifth replenishment conference, which is expected to take place in Quarter 3 of 2016; the location has not yet been announced.

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## **2. NEWS and ANALYSIS: Activists respond quickly to decision by Sweden to cut its 2016 contribution to The Global Fund**

*Sweden cites refugee crisis as rationale for the cut*

Anna Maalsen

21 March 2016

Activists have surprised Sweden with the intensity of their reaction to the Swedish Government's decision to cut its 2016 contribution to The Global Fund by 35%. Even if activists are not successful at having the cut reinstated, they are hopeful that their strong response will have a positive impact on Sweden's pledge for 2017-2019.

[Riksförbundet för Sexuell Upplysning](#) (RFSU), the Swedish association for sexuality education, reported in mid-January that the Swedish Government had decided to cut its 2016 contribution to The Global Fund from SEC 850 million (\$102 million) to SEC 550 million (\$66 million), a reduction of SEC 300 million (\$36 million). This means that for 2014-2016, Sweden will contribute SEC 2.2 billion instead of the SEC 2.5 billion originally pledged.

The cut was part of a 30% reduction in Sweden's overseas development assistance budget in order to redirect funds to cover the increase in domestic refugee costs – an action that the government labeled “unfortunate but necessary.”

The UN Secretary General, Ban Ki-Moon had already [voiced alarm](#) at the planned aid cuts by the Nordic Countries back in November, 2015, stating that “resources for one area should not come at the expense of another.” Ban Ki-Moon called it “counter-productive” and said that the move reduced the opportunities for millions of people worldwide seeking to build better lives in their home countries.

RFSU and Médecins Sans Frontières (MSF) Sweden, reacted rapidly to the planned cuts, writing to the Minister for International Development Cooperation, Isabella Lövin, and calling for the reinstatement of SEC 300 million to The Global Fund, as part of the Spring budget process.

The Global Fund Advocates Network (GFAN) mobilized its extensive network of NGOs and civil society to support the efforts of RFSU and MSF Sweden by drafting a public letter on 2 March 2016, to the Prime Minister of Sweden and by coordinating signatures. [The letter](#), signed by 159 organizations from across the world, urged the Government of Sweden to “stand by its global health commitments and to not make cuts in its contribution to the Global Fund at this crucial moment.”

The GFAN letter proved highly successful in supporting RFSU efforts to provoke domestic debate. RFSU used the sentiments and criticisms from the global NGO community to stir up a whirlwind of media coverage, much of which cited the GFAN letter. A short news piece with the tagline “Organizations criticize Sweden” reached nearly all parts of Sweden, running in three of the main Swedish newspapers and the main business paper, as well as at least 20 local papers.

Minister Lövin responded to the heavy criticism with a newspaper [op-ed](#) [in Swedish] in an effort to explain the Government’s decisions. Mari Mörth, of MSF Sweden, responded quickly to the article, stating that “we cannot afford to have malaria, tuberculosis and HIV added to the list of forgotten crises in the world.”

Several researchers from the Karolinska Insitutet added to the [debate](#) hosted by the Svenska Dagbladet newspaper online, stating that “the Minister ignores health research” and that “the cuts now being proposed may have serious long-term consequences” The CEO, a senior adviser and project manager from the think-tank [Global Utmaning](#) (Global Challenge), also posted a response on the Swedish web-portal [Biståndsdebatten.se](#), which hosts exclusive op-eds on Swedish development cooperation, saying that “[reduced health aid – not a good signal when Agenda 2030 is launched.](#)”

This resulted in a final ‘parting word’ on the topic by the Minister, in which she welcomed the responses of MSF, Karolinska Insitutet and Global Utmaning, noting that it confirms the “enormous value of Swedish aid,” but “in this difficult situation, we have chosen to prioritize the areas where Swedish aid makes most useful: the most serious humanitarian crises, peace-building, and sexual and reproductive health and rights.”

These pieces did not go unnoticed on the “Twitter-sphere” where State Secretary for Development Cooperation Ulrika Modéer [[@UlrikaModeer](#)] members of parliament, MSF Sweden [[@MSF Sweden](#)] and RFSU [[@RFSU](#)] debating the topic.



A rough translation of the above tweet by Vater Mutt, a member of Parliament, is: “To restore the money to @Global Fund as soon as possible. The Spring budget?”

The Spring budget, which goes to parliament in April 2016, is currently being negotiated, so it may be an uphill battle to reverse the cut. Nevertheless, activists believe that they have been able to show how important global health priorities are to the Swedish voters and the wider international community; and how important Swedish ODA is in pushing the forward the agenda to end the epidemics.

In her [response](#) to the GFAN open letter, Minister Lövin reiterated her government’s arguments from the public debates, and stated that Sweden has “initiated a constructive dialogue with the Global Fund and we will continue our joint efforts to put an end to the diseases as a global public health threats by 2030.” Swedish CSOs will be meeting with

Marjike Wijnroks, The Global Fund's Chief of Staff, in the coming weeks, with an aim to keep these "constructive dialogues" working towards an ambitious replenishment.

Globally, activists are worried that Sweden's rationale could set a dangerous precedent for other donors. For this reason, they say, The Global Fund needs continued support from civil society for the Fifth Replenishment. Whilst the strong advocacy and domestic debate in Sweden has not yet resulted in the funding cut being reinstated, it nevertheless underscores the importance of the role of civil society in keeping governments accountable.

For organizations and countries wanting to ramp up their advocacy efforts to build support for the fifth Global Fund replenishment campaign, the work of RFSU, MSF Sweden, GFAN and their extended network is an example of what can be achieved in a short period of time. GFAN has made available campaign tools and resources ([here](#)) to support local advocacy efforts.

*See related article on the replenishment [here](#).*

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### **3. COMMENTARY: Make CCM performance appraisals and improvement plans public**

David Garmaise

23 March 2016

*This is the second in a series of commentaries on gaps in transparency at the Global Fund. The [first commentary](#) concerned the submission and review of concept notes.*

The Office of the Inspector General recently completed an audit of country coordinating mechanisms (see [GFO article](#)). As part of the audit, the OIG conducted a desk review of documents from 50 CCMs. These documents included the outcomes of the performance appraisals each CCM is required to conduct annually. The OIG was able to access these documents, but the rest of us are not because the Global Fund does not make them public.

According to the [CCM Guidance Note](#), there are three parts to the performance appraisal process: (1) a facilitated self-assessment conducted by the CCM with help from a technical assistance provider; (2) additional interviews with CCM members and non-members conducted by a TA provider (Aidspan understands that the Fund is using a team of two TA providers); and (3) the preparation of a CCM improvement plan by the CCM together with the TA provider(s).

As its name suggests, the improvement plans contains information on how and when the CCM plans to address the weaknesses identified in the performance assessments.

Why are the performance appraisals and the improvement plans not being made public? The CCMs are not private entities. They are public bodies accountable to their stakeholders. Stakeholders in each country have a right to know how their CCM is performing and what

steps are being taken to improve performance. Other organizations that follow The Global Fund, like Aidsfan, should also be able to access this information.

This would be consistent with the Global Fund's commitment to transparency. The Global Fund's [Core Documents Policy](#) states that,

“Broad availability to the public of information about the Global Fund's projects will increase understanding and support of the Global Fund's mission, and increase transparency and accountability.”

I couldn't have put it any better myself.

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#### **4. NEWS: A community-led initiative in a Burkina Faso TB grant produces results**

Bertrand Kampoer

11 March 2016

In a Global Fund TB grant in Burkina Faso, a community-led initiative has resulted in significant improvements in the testing and the detection of TB cases in rural areas.

The principal recipient, PAMAC (Programme d'Appui au Monde Associatif et Communautaire), mobilized 200 associations and community agents throughout the country to support TB patients to take their drugs; to sensitize the community and the elders about the disease; to report suspicious cases to the health centers; and to look actively for patients who have interrupted their treatment.

This community strategy contributed to an increased use of health services by people in the community who are usually more prone to go to traditional healers.

##### **Good results**

A World Health Organization study published in 2012 on the PAMAC community program found that awareness and patient support directly contributed to an average increase of 9.3% in case detections every year (regionally, the increases ranged from 3% to 35%)

According to the same study, patients who received support during their treatment had a much higher success rate compared to patients who don't have any support: 90% vs. 75%.

“We cannot afford to go to the hospital and when we do, nurses are very arrogant towards us,” a man in the Kouepela region told GFO. “When I fell sick, I went to the traditional healer. It was thanks to Bouba (the community agent) that I was informed about my disease. He collected the sputum to get it checked and helped me taking my medication. Thanks to him I am today in perfect health.”

## How it works

PAMAC identified three sub-recipients from civil society. “We divided the country in two main zones,” Dr Amadou Ouedraogo, program officer at PAMAC told GFO. “Two SRs were in charge of one zone each and the third focused on activities among the traditional and religious community. This initiative was very important because they have a lot of influence in the community.”

Then, local organizations with years of experience in implementation and a good capacity to manage small community associations with less experience, were identified. Eleven regional organizations were selected to implement the activities and support the efforts of 200 community associations in order to reach the most vulnerable people.

According to a member of the APRODEC association, the work of community agents involved “raising awareness in the community about the disease; identifying chronic coughers and directing them to health centers; helping to identify suspected cases; overseeing the administration of treatment; and looking for TB patients who were not treated.”

Ousmane Ouédraogo, coordinator of BURCASO, one of the SRs, said that community work was responsible for a 30-40% increase in detection and treatment success in several health districts.”

## The remaining challenges

Although good results have been observed in the community response in Burkina Faso, challenges remain. Community agents are not staff; they are paid by the task. The allowances are 2500 francs CFA (\$5) for each trip in a community for an average of ten trips per month, which translates into approximately 25,000 francs CFA (\$50) monthly. For this reason, the community agents never remain in their positions for more than two or three years, which can undermine the quality of interventions over the long term.

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## 5. NEWS: Only a small number of country concept notes remain to be processed

*Almost 90% of the notes are in grant-making or have already resulted in Board-approved grants*

David Garmaise

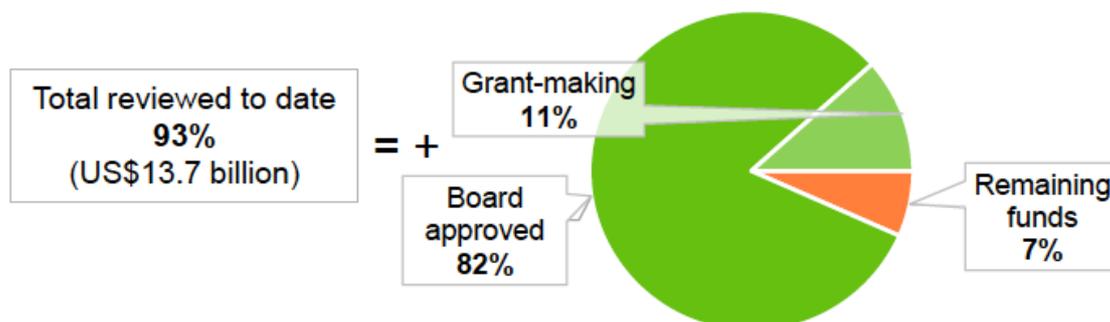
22 March 2016

The Secretariat has provided an update on the new funding model to the Strategy, Investment and Impact Committee and the Financial and Operational Performance Committee. The update has not been made public but Aidspan has received permission to report on its contents. The Secretariat also provided Aidspan with additional information for this article.

Of the 251 funding requests that are expected from countries under the NFM, 88% are either in grant-making or have already resulted in Board-approved grants.

The reviewed requests represent \$13.7 billion, or 93% of the \$14.7 billion in allocation funding (see figure 1).

**Figure 1: Status of allocation funding**



Source: GF-SIIC17-02 Update on Funding Model

The deadline date for the ninth and final window for applications recently passed. The Technical Review Panel was expected to review concept notes from this window in mid-March.

A simplified approach was adopted for countries representing about 6% of total funding. Some of these countries have been operating in challenging environments.

### **Regional applications**

Under the NFM, \$200 million was available for regional proposals for the 2014-2016 allocation period. Seventy-seven expressions of interest were received having a total value of \$1.1 billion. Twenty-eight applicants were invited to submit concept notes. The total of the upper ceiling amounts provided to the 28 applicants for the preparation of their concept notes was \$284 million.

Out of the 28 concept notes, 19 were for HIV, three for TB/HIV, two for malaria and four for TB. The deadline for concept notes submitted in the second wave of regional proposals was 1 February 2016, so these notes are only now being reviewed.

The Technical Evaluation Reference Group is planning to release an assessment of the regional applications process in June.

### **Special initiatives**

The update included a section on The Global Fund's special initiatives. Of the \$100 million budgeted for these initiatives, to date \$64.5 million has been spent or committed. See Table 1 for details.

**Table 1: Summary of spending on special initiatives (\$ million)**

<b>Initiative</b>	<b>Budget</b>	<b>Spent or committed</b>
Emergency fund	30.0 m	11.6 m
Community, Rights and Gender	15.0 m	12.0 m
PR capacity building	0.5 m	0.4 m
Value for money and sustainability	8.5 m	5.5 m
WHO-Stop TB partnership agreements	29.0 m	21.2 m
Country data systems	17.0 m	13.8 m
<b>Total</b>	<b>100.0 m</b>	<b>64.5 m</b>

GFO plans to provide a more detailed assessment of the special initiatives in a future issue.

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## **6. NEWS: Kyrgyzstan CCM will likely be integrated into the government’s coordination council for public health**

*Civil society and community representatives express concerns about both the outcome and the process*

Tinatin Zardiashvili

17 March 2016

Global Fund stakeholders in Kyrgyzstan are discussing different options for integrating the country coordinating mechanism into a national level body led by the Prime Minister – known as the Governmental Coordination Council for the Public Health (CCPH). The rationale for this step is that the functions of these two bodies overlap significantly.

The most likely outcome is that the CCM will become a sub-committee of the CCPH. The decision to initiate discussions with the government concerning integration was taken at a CCM meeting held on February 2016.

“We understand that the CCM cannot be simply be slotted into the CCPH like a piece in a jigsaw puzzle,” said Natalya Shumskaya, a member of the CCM reform working group, and chairperson of AIDS Foundation East West (AFEW) in Kyrgyzstan. “The charters of both groups will have to be modified.”

International and local NGOs, government officials, and community representatives all realize the need for reform, Ms Shumskaya said. “However, all of us agree that the process has to be open and clear. All options should be publicly discussed before the final decisions are taken.”

The working group, which was set up in the summer of 2015, includes two representatives from the civil society sector.

The reform of the CCM in Kyrgyzstan has been going on for six years. Nevertheless, in 2013, three years into the reforms, and even though the CCM had a fair sectoral balance and good community representation, a performance appraisal revealed that the CCM was not functioning effectively. The appraisal found that although the CCM was overseeing grant implementation, the coordination role between the national HIV and TB programs and the programs funded by the grants was weak.

The CCM invited the World Health Organization to conduct a feasibility study on how the CCM could be improved. The WHO suggested restructuring the CCM and provided several scenarios.

Currently, the CCM reform working group is considering options for how the CCM can be integrated into the CCPH, and is looking at what legal documents will be needed to ensure that the CCM retains its current composition and its decision-making powers. The Global Fund is supporting the integration process by providing funding within the CCM's operating budget for a lawyer to develop charters for both the CCPH and the CCM sub-committee, and to ensure that all documents are in line with national laws and regulations.

Although the CCPH is high level government structure, civil society and community organizations have voiced concerns that the CCM might lose its decision-making power as a sub-committee of the CCPH. They also worry that the relative importance accorded to the two diseases (HIV and TB) might be diminished given other public health threats.

CCM reform is seen as a key element of Kyrgyzstan's transition from the Global Fund (see [GFO article](#)). Local community representatives have told GFO that The Global Fund Secretariat was very supportive in bringing these two elements (CCM reform and transition planning) together and creating an understanding of how they are interrelated. "We should admit that without the Fund's active support and involvement, we – communities and CSOs – would not be able to advocate for changes so effectively on the national level," said Aibar Sultangaziev, executive director of the Partnership Network.

### **Other problems on the CCM**

While the CCM reform working group was discussing options for integrating the CCM into the CCPH, other problems surfaced that will need to be dealt with.

One such problem is the lack of capacity of community representatives at CCM to participate fully in discussions. The representatives require extensive training in order to understand the systems and procedures of The Global Fund as well as the terminology used by the Fund. The current Global Fund grants actually provide for such training, but many stakeholders were not aware of this. This is a sign that communications are far from optimal. It also raises issues of accountability: Some people in CSOs and in the community expressed dissatisfaction with the work of their representatives on the various committees and working groups.

GFO talked to one community representative from an organization that is not involved directly in the CCM reform working group. She expressed concern regarding a lack of clarity concerning the reforms, and about the accountability of the CCM and the reform group. In

particular, she said that information about the process is limited to a small number of people in a “select circle.”

To address issues of communication and accountability, and to ensure a wider and more active participation of the community in the CCM reform process, the Partnership Network, acting on behalf of 12 community-based organizations, submitted a funding request to GIZ for a project designed to help the CBOs and the communities be part of discussions. The request has been endorsed by the full CCM. The project has two goals: (1) to ensure that CBOs and communities receive information on what is being discussed in a format they can understand, and that they receive information on the rationale for any decisions; and (2) that the views of the CBOs and communities are adequately presented by their representatives.

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## **7. NEWS: OIG says that the Secretariat’s operational and financial controls are generally effective**

*Some weaknesses noted in post-disbursement controls; and in procurement controls, especially at the PR level*

David Garmaise

21 March 2016

The Office of the Inspector General has awarded the Global Fund Secretariat generally high marks with respect to compliance with key internal policies, particularly operational and financial controls. The OIG released a [report](#) on an audit into these functions on 4 March 2016.

The OIG said that the forecasting and budget controls, the cash and liquidity management controls, and the pre-disbursement financial controls over grant processes were all generally effective. It noted some weaknesses in post-disbursement controls and in implementing the COSO internal control framework, but said that the Secretariat had adequate plans in place to fully address the weaknesses.

Finally, the OIG said there are some more significant weaknesses in controls related to procurement, but said that the Secretariat also had plans in place to improve its performance in this area.

The COSO framework is an international standard for internal controls that has been adopted by the Board.

The OIG said that since 2012, following governance and control concerns flagged by the Board and the high-level panel report, The Global Fund has made significant efforts to enhance the internal control environment. These enhancements included the formalization of policies, procedures and controls particularly those related to financial management. Grant management processes have also been improved, the OIG said, with several monitoring and oversight tools – the Executive Grant Management Committee, the Semester Progress and

Disbursement Report, and the Expenditure and Financial Report – introduced by the Secretariat to ensure that funds are used properly to meet the objectives of grants.

The Executive Grant Management Committee oversees grant management activities and the development of operational policies supporting these activities.

The Semester Progress and Disbursement Report is an evolution of the progress update and disbursement request form (PU/DR), which is a tool used by the Global Fund to review grant implementation progress; assign an overall grant rating; identify implementation issues and potential future risks; and elaborate risk mitigation measures and the process of committing grant funds to be disbursed.

The Expenditure and Financial Report provides financial information on grant implementation and tracks where the money is going and how it is being spent.

However, the OIG said that the process of improving the internal control environment “has been done in an ad hoc and fragmented manner, leaving key control gaps and exposing the Global Fund to potential misuse of funds.” These gaps have been flagged in previous OIG reports on audits of the Procurement and Supply Chain Management and the IT function, and in OIG investigations reports. (All of these reports are available on the OIG pages of the Global Fund website [here](#).)

“It is therefore critical for the organization to formalize an internal control framework as recommended by the Board in 2012,” the OIG said. “This will ensure that the organization has adequate and effective controls at the entity level as well as the process level.”

Although the key controls concerning the pooled procurement mechanism process were found to be adequate and effective, the OIG said, the controls for the delivery of PPM orders, which are the responsibility of the principal recipient, are inadequate. According to the OIG, there are currently no control measures in place to ensure that procurement orders and payments made to procurement service agents are accurate and that deliveries to PRs are complete.

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