



Independent observer  
of the Global Fund

## HOW GRANTS WILL BE MANAGED IN THE RESTRUCTURED SECRETARIAT

List of 20 “high-impact” countries revealed

Lengthy checklists and paper processes to be reduced

In his report to the Global Fund Board at its meeting in Geneva, General Manager (GM) Gabriel Jaramillo provided information on how grants will be managed in the new Grant Management Division.

Organisation of the Grant Management Division

Three departments have been established to manage grants from 20 high-impact countries. The Global Fund defines “high-impact countries” as countries with large volumes of funding, a multiplicity of grants, complex operations or other challenges.

The three departments and the countries they will cover are as follows:

- High-Impact Africa 1: Democratic Republic of the Congo, Nigeria, Cote d’Ivoire, South Africa, North Sudan, Ghana
- High-Impact Africa 2: Ethiopia, Zambia, Kenya, Tanzania, Uganda, Mozambique, Zimbabwe
- High-Impact Asia: India, China, Indonesia, Myanmar, Pakistan, Bangladesh, Philippines

These countries comprise 70% of the global burden of HIV/AIDS, TB and malaria, and represent about two-thirds of the total value of Global Fund grants.

Two other departments in the Grant Management Division are dealing with other grants in Africa and Asia,

and all grants in the other regions. A sixth department, Grant Management Support, provides a variety of services to the other departments in areas such as quality assurance, risk management, local fund agents, country coordinating mechanisms (CCMs) and grant renewals.

Mr Jaramillo said that for each country managed by the high-impact departments, a country team has been established. Each country team is made up of a fund portfolio manager (FPM) and one or two programme officers, supported by technical and functional teams from procurement, monitoring, finance and legal. The FPMs are empowered to make final decisions on behalf of the country teams. Members of the procurement and monitoring teams will now formally become part of the Grant Management Division. Members of the finance and legal teams will continue to report to their respective units, but will sit physically within the Grant Management Division.

According to Mr Jaramillo, these changes will enhance consistent communications and decision-making within the Secretariat, and increase the speed with which the Division can answer questions from partners in implementing countries and address challenges or bottlenecks.

Mr Jaramillo said that as part of the restructuring in the Grant Management Division, and for the benefit of new country team members, every FPM completed a “knowledge-capture note” for his or her grants that “provided contact information for the main stakeholders in the field, outlined key upcoming milestones, explained the past history of the Global Fund’s involvement in the country or countries concerned, flagged sensitive topics and explained where team members could find additional information.”

Once the new structure was finalised, and teams were identified for each country, Mr Jaramillo said, staff from the Division explained the changes to partners, particularly CCMs and principal recipients (PRs). Mr Jaramillo said that Mark Edington, Head of the Grant Management Division, and the three heads of the high-impact units will be visiting high-impact countries throughout 2012.

The GM said that the Secretariat was also developing a dedicated evaluation function to measure the outcomes and impact of Global Fund grants in the high-impact countries.

Mr Jaramillo said that the Global Fund will be working with its partners and with implementers to produce demand-driven, long-term plans and strategies for the fight against the three diseases in high-impact countries that both the Global Fund and partners can support. “Our participation will be to finance pieces of those strategies,” he said.

#### Strengthen risk management but simplify grant implementation

In his report to the Board, the GM referred to a Secretariat project on grant management and risk management. He said that the Global Fund will reduce lengthy checklists and paper processes as part of this project, and that the Global Fund wants to strike a better balance between “checking” and “enabling.” “By concentrating on the most-important elements of overseeing grants, but assuring we appropriately apply risk-management at every stage,” he said, “we can reduce the paperwork traditionally associated with the Global Fund.”

The goal of the project on grant management and risk management, Mr. Jaramillo said, is “to obtain more efficiency in the entire grant management process, while embedding an emphasis on risk throughout the life cycle of our grants.” He said that he expects this approach will lead to increased consistency and effectiveness of operational risk-management activities; better focus on the most material risks; greater openness, transparency and accountability in decision-making; and fewer crises, emergencies and surprises.

The Secretariat has developed an Operational Risk-Management Framework which is currently being piloted in five countries: El Salvador, Jordan, Nigeria, Pakistan and Uganda. New risk-assessment and

risk-management tools have been developed for Global Fund country teams and for in-country partners.

Mr Jaramillo said that all five country teams involved in the pilot have applied the new risk-assessment and risk-management tools to one or more grants in their portfolios. In doing so, he said, Secretariat staff have gathered relevant information from implementers, and agreed with them on what actions are required to address the risks and on when these actions will be implemented.

A newly created Operational Risk Committee in the Secretariat has already reviewed four of the grants involved in the pilot. The purpose of the Committee is to review and validate decisions for large or high-risk grants; share best practices among regional teams in the Secretariat; and, when necessary, escalate critical risk-taking issues to upper management.

Mr Jaramillo also reported that in a recent survey, Board Members and senior managers identified the following as the most-important risks the Global Fund is facing:

- fraud;
- pharmaceuticals (timely delivery, supply-chain management, stock-outs);
- fragile IT systems and data;
- ability to attract sufficient funding;
- implementers' dependency on financing from the Global Fund; and
- talent constrains in the organisation.

The Report of the General Manager is available at <http://www.theglobalfund.org/en/board/meetings/twentsixth>.

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