



Independent observer  
of the Global Fund

## Report Suggests New Executive Director Focus on Seven Key Tasks

An independent working group convened by the US-based Center for Global Development has published a 43-page report recommending seven tasks that the new Executive Director of the Global Fund should focus on.

The board of the Global Fund will choose the new Executive Director on Tuesday, October 31, from a short-list of five people chosen by a board committee from among 334 candidates.

The report, "Challenges and Opportunities for the New Executive Director of the Global Fund: Seven Essential Tasks," was released to the press last night and will be posted at [www.cgdev.org/section/initiatives/\\_active/hivmonitor/globalfundwg](http://www.cgdev.org/section/initiatives/_active/hivmonitor/globalfundwg) in the course of today, Thursday.

The report notes that the core principles upon which the Fund was founded sometimes conflict with each other, "such as when the desire for broad participation and ownership runs up against the need for speed and decisiveness." It is in this complex context that the new Executive Director will have to make some tough choices regarding priorities, the report says.

The seven tasks that the report recommends that the new Executive Director focus on are:

- 1: Strengthen In-Country Operations
- 2: Strengthen the Provision of High Quality Technical Assistance
- 3: Solidify Performance-Based Funding (PBF)

4: Strengthen Procurement and Supply Chain Strategies

5: Enhance Secretariat Operations

6: Strengthen the Fund's Finances

7: Clarify and Strengthen Management-Board Relations

Some excerpts from the report now follow.

#### Excerpts from the report

At a deep level the Global Fund's model and its aspirations for results involve several fundamental tensions and conflicts that manifest themselves in key policy questions and debates, such as the following:

- When should the Fund allow countries to take the lead on key decisions and implementation approaches, and when should it impose requirements and conditions where programs perform inadequately?
- How should the Fund ensure strong program monitoring and evaluation and strengthen its ability to detect problems early while maintaining a small bureaucracy with no in-country presence?
- How can the Fund establish systems that both ensure broad participation, consultation and transparency, and also maximize speed and decisiveness in designing programs, implementing grants and fixing problems?
- Should the Fund emphasize moving urgently to save the most lives today, suggesting that implementation and procurement should be carried out by whichever player can move the fastest, or should it emphasize building capacity in local institutions that can save lives tomorrow?

...From the beginning various Global Fund constituencies have emphasized different priorities and have had somewhat differing visions for the Fund. Some stakeholders, like the U.S., focus on speed, containing costs and showing demonstrable results. Many European donors place a high priority on country ownership, harmonization of systems across donors, aligning finances with national budgets, and the impact on health systems beyond the three diseases. Civil society groups (a very diverse set of actors) tend to highlight broad participation, transparency and speed, and are wary of government domination and too much funding going through national budgets and/or government agencies...

The new ED cannot resolve all of these underlying constraints and tensions, and will have to exert judicious leadership in carefully balancing among them to move forward...

#### Task 1: Strengthen In-Country Operations

...Country programs are highly dependent on key partners playing complementary supporting roles, but these roles and responsibilities have never been clearly defined and there has been little systematic communication between key agency heads on these issues. We recommend that the new ED:

- Convene a Heads of Agencies Group comprised of the leaders of the World Health Organization (WHO), UNAIDS and the World Bank (and possibly a very small number of others) to meet regularly to define complementary roles and better coordinate actions on the ground to more effectively support country programs.
- Move the Fund beyond a one-size-fits-all approach and design a range of operational models in different countries in terms of proposal process, oversight, disbursement frequency, LFA roles and budget support, based on differences in track records, performance, risk assessments and country-specific circumstances.

- Construct and distribute a list of all key personnel contacts in each recipient country, including staff of the Ministry of Health, all CCM members, NGOs, faith-based organizations, civil society representatives, UNAIDS, WHO and key bilateral agencies.

### Task 2: Strengthen the Provision of High Quality Technical Assistance

When the Global Fund was founded, international discussion primarily focused on the need for scaled-up financial resources, with much less discussion about the need to scale-up other complementary resources, including TA for countries where the capacity to design and implement effective programs was limited. It is now clear that the need for scaled-up TA was vastly underestimated, and that the issue cannot be resolved by the Global Fund working alone. We recommend that the new ED:

- Spearhead an effort with the new Heads of Agencies Group to jointly determine the steps the major donors, international agencies, NGOs, civil society groups, and other organizations should take to effectively provide high quality TA for each of the three diseases, and collectively approach the international community with proposed solutions; and
- Work with other agencies, NGOs, and civil society groups to encourage a greater exchange of information between seekers and providers of TA, including the development of an “information market” for TA, building on existing systems with UNAIDS, the Stop TB Partnership, and Roll Back Malaria Partnership.

### Task 3: Solidify Performance-Based Funding

Performance-based funding, a critical tool for achieving results, is a bedrock principle of the Global Fund... Many of the specific mechanisms are not yet working optimally. We recommend that the new ED:

- Significantly bolster the Fund’s early warning systems to better identify programs at risk;
- Regularly and quickly provide early warning information to CCM members, international partners, NGOs and civil society groups; and
- Work with the Heads of Agencies Group to develop more robust inter-agency strategies to quickly respond to and support programs at risk.

### Task 4: Strengthen Procurement and Supply Chain Strategies

Recipient countries face major challenges in commodity procurement and supply chain management... The Global Fund cannot solve these problems working alone. We recommend that the new ED:

- Catalyze efforts with other agencies to craft joint approaches to global procurement and supply chain issues through which they can collectively influence markets, prices and R&D decisions, and strengthen local systems;
- Add specific indicators to each grant that measure procurement time, prices and other relevant data, and penalize countries that cannot explain or justify significant time lags or price gaps; and
- Move forward on establishing a pooled procurement option for the Fund, building on the recent Board decision to facilitate pooled procurement for countries on a voluntary basis.

### Task 5: Enhance Secretariat Operations

During the past four years, the [Global Fund] staff size has reached 240, but with the task of managing over 360 grant programs in 132 countries, the workload is intense and turnover is high... We recommend the ED:

- Commission a management audit to review the Secretariat's structure and staffing;
- Hire additional Fund Portfolio Managers (FPMs), more clearly define their roles and responsibilities, and shift to a team FPM approach with more than one Global Fund staff working on each country; and
- Review and consider options to the Secretariat's administrative relationship with the WHO, including possibly modifying or ending the relationship.
- Develop more clearly defined relationships with key partners on the ground in order to strengthen communications, feedback, and early warning systems, including experimenting with, on a pilot basis, formal agreements with partners to take on specific roles and responsibilities in some countries.

#### Task 6: Strengthen the Fund's Finances

...The ED will be faced with the challenge that fundraising will get harder in the future, even if the Fund achieves an excellent track record. We recommend the ED:

- Hire a full-time professional fundraising team;
- Devise new strategies to approach non-traditional donors such as Saudi Arabia and China, while strengthening approaches to traditional donors;
- Re-examine policies that discourage private sector donations, and find innovative ways to attract more private sector donations; and
- Encourage graduation or co-financing by middle-income and other countries that have the internal resources to finance their programs.

#### Task 7: Clarify and Strengthen Management-Board Relations

...A strong and supportive relationship between the ED and the Board is essential. The arrival of the new ED provides an ideal opportunity for both the ED and the Board to more clearly define their relationship. Therefore, in this section we recommend actions both for the ED and for the Board. We recommend the ED:

- Build strong relationships and regular communication links with Board members;
- Help shape, and then support, the new Global Fund strategy and vision as determined by the Board in early 2007; and
- Simplify materials prepared for Board meetings.

We recommend the Board:

- Respect the boundaries of the distinct roles of the Board and ED;
- Make the ED a non-voting member of the Board to ensure the experiences and insights of the ED and the Secretariat are more fully reflected in Board discussions; and
- Reduce its demands on the Secretariat, especially through committees, and ensure that Board decisions do not significantly add to the Secretariat's responsibilities, or if they do, provide adequate resources and staffing to meet the new expectations.

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