



Independent observer
of the Global Fund

GLOBAL FUND GRANTS UNAFFECTED BY MALAWI INTERNAL CHALLENGES

Investigations into alleged financial mismanagement by the head of the Malawian National AIDS Commission are continuing in the wake of the ouster of its executive director, but they should have no impact on the continuing administration of Global Fund HIV grants, Aidspan understands from government and Fund sources.

Dr Thomas Bisika was asked to step down in early October so that investigations into financial irregularities that have occurred under since he began his tenure in 2010 could proceed.

NAC board chair Marah Kumbweza Banda told Aidspan in written responses to emailed questions that the necessary “structures and processes [remained] in place to ensure continuity of Global Fund operations”.

The NAC was one of two principal recipients of Global Fund HIV grants implemented in Malawi since 2003. An audit by the Office of the Inspector General released in 2012 (see article [here](#)) covering the period 2003-2010 found some \$3.9 million in ineligible and unsupported expenditures by the NAC: an amount that, gradually, has been paid back. An outstanding balance of some \$938,000 in reimbursed funds was paid in July 2014 (see article [here](#)). NAC has also not received disbursements from the Fund directly since 2012, beyond a \$1million payment to the UN Development Program through the NAC, to pay salaries of medical doctors working as UN volunteers.

Efforts to mitigate fiduciary risk in Malawi have been ongoing since 2011 and will remain in place as the country develops its plans to allocate the nearly \$575 million in Global Fund support made available under the new funding model (NFM).

All commodities procured for the response to the three diseases are purchased under the Fund's pooled procurement mechanism; a discrete bank account from which Global Fund monies alone are disbursed has also been set up.

Similar financial controls have been imposed on Fund disbursements to the other PR, the Ministry of Health. A fiscal agent was contracted in 2013 to review all transactions, co-sign payments and ensure that adequate financial and administrative procedures are in place.

The Global Fund has never at any point in time suspended its financial support to Malawi. Just like any other country, systemic weaknesses are bound to be there but what matters is a clear demonstration that the country has put in place measures to address them and reduce the magnitude of financial and program risks," said Banda.

No immediate successor to Dr Bisika has been announced. Jockeying for position has begun in what is being seen as a highly political process, according to media coverage in the Malawian capital Lilongwe.

Marriam Mangochi, a former NAC senior official currently working in the presidential office, was appointed to serve as interim director. Her posting, however, was suspended without indication as to why after just a week, in favor of replacement Davie Kalomba.

Owen Nyaka is a member of the International HIV/AIDS Alliance network of key correspondents.

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