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Multiple Principal Recipients: The Zambian Approach

[Adapted by the author from a presentation she gave on July 14 at the Bangkok International AIDS Conference, at a satellite session entitled, “The Global Fund: How CCMs Can Be More Effective,” organized by Aidspan and other NGOs.]

Zambia, one of the countries hardest hit by the AIDS epidemic, is also very resource constrained. So while the response to the epidemic in Zambia is now well into the second decade, that response has largely remained at the pilot stage. The advent of the Global Fund to Fight AIDS, TB and Malaria was therefore seen as an important opportunity for Zambia to scale up interventions that work.

The Zambian government quickly put in place a Country Coordinating Mechanism (CCM) to begin developing a proposal. From the start, the CCM was representative of all sectors – the church, academic institutions, civil society, government, traditional healers, youth, the business sector and PLWAs. This was achieved in great part because the National AIDS Council (NAC), in existence since late 2000, launched an active and consultative process to aid in the CCM’s development. The NAC, which now provides secretarial services to the CCM, wrote to umbrella organizations of the various stakeholders – such as churches, NGOs, and community organizations (CBOs) – asking each to nominate a representative who would speak for their interests at the CCM. Because CCM representatives from each sector were nominated by their own constituency, they received a mandate from the groups they represented. My organization, for example, the Zambia National AIDS Network, held a consensus-building workshop with CBOs and NGOs to fully brief them on the Global Fund process and to get a mandate from them to proceed.

The process of developing each Global Fund proposal in Zambia included all stakeholders. This involvement ensured that the concerns of the different sectors were taken on board. And since people

owned the process, they committed themselves and their constituencies to the full implementation of the program. Furthermore, this consultative approach to the development of the proposal meant that the CCM had no difficulty endorsing the proposal for submission to the Global Fund. All five proposals that the Zambian CCM has submitted to the Global Fund (three in Round 1 and two in Round 4) have been approved.

It turned out that developing the Round 1 HIV proposal and getting it endorsed by the CCM was a much simpler task than the steps that lay ahead: ensuring that the funds were speedily, effectively, equitably and transparently moved to where they were needed most, in all sectors – communities, private sector, groups of PLWAs, high-risk groups, the church, government departments, academic institutions, and treatment centers. Bringing together different interest groups, with different approaches and outlooks, proved quite challenging. The process, however, was assisted by an intense level of communication and consultation. Through this process, it became clear that all stakeholders had one common agenda: to have a meaningful impact on the epidemic. The challenge was to find a modus operandi that was acceptable to all.

The first important principle we established was to use indigenous existing structures. The CCM decided that no new structures were to be established for the Global Fund. Rather, existing structures would be examined and, if necessary, strengthened.

Second, civil society was quite strong in advocating that funds destined for civil society programs be received by a civil society organization serving as a Principal Recipient (PR). In Zambia, government and civil society have a long history of working together responding to AIDS, but civil society organizations had concerns that channeling funds through a government bureaucracy might lead to unnecessary delays. We in civil society also believed that the government was not structured to reach very grass roots organizations, while civil society organizations have a direct interface with the local CBOs best positioned to make a contribution in the fight against AIDS. We could easily tailor our programs to reach these grass roots groups.

As we debated how to choose PRs for our Round 1 Global Fund proposal, many options were advanced. The first option was the Ministry of Finance. But this Ministry explained that there were legal restrictions on their issuing checks to civil society directly, unless the civil society groups were already named in the national budget. So funds would have to be channeled through another agency. The excess bureaucracy surrounding this method was obvious to all. Additionally, since this ministry was already overwhelmed with fiscal responsibilities to the nation, it was unlikely to prioritize AIDS, TB and malaria.

The second option was the Central Board of Health under the Ministry of Health. After lengthy discussions, it was agreed that AIDS was not just a health issue, it was a cross-cutting issue with complex ramifications. In this regard, we agreed that the Central Board of Health would be better left to deal with funds directed at treatment and other technical issues in line with their mandate of providing health care, but that it could not reasonably be expected to prioritize socio-economic aspects of the epidemic, such as orphans and vulnerable children.

After debating other options, we finally agreed that it would be feasible and desirable to have more than one PR in Zambia, with each PR using its special advantages to move the much-needed funds in an efficient manner. The CCM's flexibility on this front was facilitated by the long history of Zambian NGOs and CBOs in responding to AIDS. Many of these organizations have successfully attracted bilateral and other external funding, as well as support from the government, for delivering care to orphans and vulnerable children. The Churches Health Association of Zambia already provides half of Zambia's rural health services, supported by a government grant. Given the severity of the epidemic in Zambia, the government is quite open about embracing all of these existing resources.

In the end, the CCM decided to use four existing institutions to disburse the global funds, two from government and two from civil society:

- Central Board of Health (under the Ministry of Health): funds for treatment and other technical health issues.
- Ministry of Finance: funds for government line Ministry programs.
- Churches Health Association of Zambia: funds for faith-based civil society organizations.
- Zambia National AIDS Network: funds for non-faith-based civil society organizations, including private sector work place programs and groups of PLWAs.

Having received this approval, the four PRs had to ensure that they would pass the assessment by the Global Fund's Local Fund Agent. During this proposal development phase, the Zambia National Aids Network (ZNAN) had to acknowledge that it was still a weak institution with very limited capacity and certainly could not pass the assessment. But civil society members of the CCM saw this as an opportunity to build the capacity of an indigenous NGO that would remain in country to coordinate the achievements of Zambian AIDS service organizations, whether funded by the Global Fund or other donors. This concept was successfully sold to bilateral donors such as NORAD, who gave funds for rapid capacity-building in terms of human resources, infrastructure and systems. ZNAN also signed a contract with an international accounting company for continuous financial management capacity-building over one year. This approach allowed ZNAN to meet the minimum requirements of the Global Fund's Local Fund Agent. (The role of the Local Fund Agent was initially unclear to both the LFA and the PRs; luckily this has evolved and we now clearly understand our roles, a process assisted by the LFa's decision to designate an officer specifically to the Global Fund grant.)

ZNAN was able to use its first Global Fund disbursement of US$425,000 to further enhance our capacity, as the initial first-quarter work plan to the Global Fund was devoted to strengthening the Network. The Global Fund contribution facilitated the purchase of a permanent office building, vehicles, computers, and hiring additional staff. The Global Fund was very amenable to supporting ZNAN in this way, as the Secretariat sees capacity-building as a necessary contribution to the success of the program. Once this first-quarter program was successfully implemented, the Local Fund Agent recommended a second disbursement, which according to our plan would go directly to sub-recipients. From this point on, ZNAN would become a grant-making organization, passing Global Fund money to sub-recipients who would be the main implementers of the grant.

ZNAN moved quickly to ensure that information about funds for sub-granting was published as widely as possible. We did media outreach, including a breakfast briefing for the media, newspaper and radio interviews and advertisements (including community radio stations in local languages), television ads, and fliers. We held discussions in provincial centers. We developed and widely distributed a grants manual that laid out clear guidelines for accessing the funds, and specified details such as unit costs and service delivery areas. We convened a multi-disciplinary technical review committee to review project proposals that we received, taking care not to include implementers of civil society programs on the review committee as this would result in a conflict of interest.

So far, the multiple PR structure is working well for Zambia. First, each PR focuses on its primary strength and specific target groups. Second, since the target groups are well defined, there is no feeling of rivalry. Each PR knows that its continued success depends on its successful implementation of its own agreed work plan. Third, PRs have been helpful to each other, sharing their strengths, because they know that for the program to make a meaningful impact on AIDS in Zambia, each PR's success is crucial. Last, because the different PRs have demonstrated their capacity and potential, bilateral donors are becoming increasingly attracted to using these same channels for additional funding.

A few aspects of the Zambian approach were critical in allowing our multiple PR model to work so well:

- Highly inclusive CCM composition, reflecting 40% government; 25% NGOs, CBOs and PLWAs; 20% development partners; 5% academics; 5% faith-based organizations, and 5% private sector representation.
- The decision to utilize existing structures and devote significant resources to strengthening them where necessary.
- Broad publicity regarding the Global Fund.
- Close cooperation between government, multi- and bilateral donors, civil society, and the church, who all worked together within the CCM to identify gaps in the program. This was extremely helpful for the development of the Round 4 proposal, which sought to address gaps in treatment by seeking funds to scale up ARV access .
- Regular meetings of the CCM with briefings from PRs.

Several important challenges remain: Expectations from civil society regarding the Global Fund are quite high, and so the role of the Global Fund in scaling up, rather than taking over the financing of entire organizations, needs to be further emphasized and constantly so. Capacity-building among sub-recipients, especially with regard to monitoring and evaluation, is critical because it is now time to urgently put the emphasis on results. This requires PRs to have a very strong monitoring and evaluation system to track down both the funds and the impact on the epidemic. Above all, the Global Fund, PRs and all stakeholders must accept that this is a new program that is dynamic and evolving and must constantly review its approaches in order to maintain its relevance and effectiveness in getting the funds where they are needed most – certainly not in the bank.

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[Editor's note: The Zambian approach of having several PRs has sparked interest around the world. Each PR can work with sub-recipients in the sector of society it knows best, yet all can cooperate to maximize the chances of success. This overcomes many of the problems encountered by single PRs. Other countries may not choose to have as many as four PRs. But they might want to consider having two PRs, one from the government working with governmental sub-recipients, and one from civil society working with civil society sub-recipients.]

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