Independent observer of the Global Fund

ROUND 9: STRAIGHT TALK NEEDED

At the time that Round 8 proposals were approved by the Global Fund Board in early November last year, the Fund expected to have enough money to provisionally approve proposals costing $2.75 billion. Before proposals were submitted, it had been assumed by almost everybody that this would be more than enough, given that no previous round had cost more than $1.1 billion.

But, in fact, the total cost of Round 8 proposals recommended for approval by the TRP came to $3.06 billion – almost three times the cost of any previous round, and $306 million more than was available.

After intense discussion, the Board resolved this problem by approving all the proposals, but saying that the Fund would spend no more than $2.75 million on them, 90 percent of the requested amount.

This raised immediate and obvious questions in all the countries whose proposals had been approved. How should the savings be arrived at? Did each country have to make a ten percent reduction in its budget, or would some be permitted to reduce their budgets by less than others?

The Fund took far too long to resolve this uncertainty. It was not until December 19, six weeks after the original Board decision, that the Fund finally provided reasonably clear answers to these questions. (See GFO Issue 101, at www.aidspan.org/gfo, for a summary of what the Fund said.)

The steps by which the Fund arrived at this point were hesitant and somewhat inconsistent.

It all started on November 8, when the Board resolved that the approved Round 8 proposals “shall collectively be subject to a 10% adjustment for efficiency.”

For a month, the Fund issued no explanation as to what this meant.

Then, on December 8, Michel Kazatchkine, Executive Director of the Fund, wrote to CCMs saying that the Board had approved, in principle, all of the TRP-recommended proposals, and that this would involve funding commitments of up to $2.75 billion. He made no mention that this was less than the total amount that the approved proposals had actually requested. He simply said that that all countries should look, to an unspecified extent, for “potential efficiencies” in their Phase 1 budgets.

He went on to say that the Secretariat believed that the “efficiency saving” could be achieved through “a careful review of unit costs, … efficient procurement, … and by responding to TRP comments on budgets.” There was no suggestion that reductions in actual performance targets would be required.

A week later, on December 16, Bill Paton, the Fund’s Director of Country Programs, wrote to CCMs and PRs suggesting, for the first time, that a “ten percent adjustment” would need to be made “in each recipient’s budget,” rather than across all budgets collectively. And he acknowledged that there would be times “where target adjustment is unavoidable.”

This was important news. However, the letter provided no proposed sequence of steps for achieving the desired budget reductions. Those steps were finally provided on December 19 in an FAQ document at the Fund’s website.

This whole sequence leads me to fantasize a conversation among senior Secretariat officials that went something like this: “OK everybody, let’s say as little as possible, and be as vague and confusing as possible. Let’s be silent for a month. Then, let’s ask people to seek “potential efficiencies” but not ask them to make “budget cuts.” Let’s delay as long as possible mentioning that anyone might need to reduce performance targets. And when we finally have to make things clear, let’s do it at the end of the day on a Friday when lots of people are about to go on a two-week vacation, and let’s post it at a part of the website where nobody will find it unless someone tells them where to look.”

Of course, that conversation didn’t take place. The people involved are bright, committed and hard-working. But, like so many of their opposite numbers in the UN agencies, they seem to be scared to speak in clear simple terms about things that need to be said. (This UN-like avoidance starts at the most basic level – for example, why does the Fund talk about “resource mobilization” rather than “getting money”, or at least “fundraising”?)

Next month, the Global Fund will have a board meeting at which it must make difficult decisions about how to fund Round 9. Whatever decisions it makes, it should communicate those decisions rapidly and clearly to all applicants.

Bernard Rivers (rivers@aidspan.org) is Executive Director of Aidspan and Editor of its GFO.

Read More