



Independent observer
of the Global Fund

FUNDING REINSTATED FOR SUSPENDED PHILIPPINES GRANTS

The Global Fund has resumed funding for four of the five suspended grants to the Philippines, with different principal recipients (PRs) at the helm – and was expected shortly to sign an agreement with a new PR for the fifth grant. The five grants were suspended in September 2009, following evidence of unauthorised expenditures by the PR, Tropical Disease Foundation (TDF). (See previous article.) Of the five grants, two were for malaria, two for HIV and one for TB.

TDF is no longer involved in the management of the grants. In December 2009, after assessing recommendations from the Philippine CCM, the Global Fund Secretariat announced that the two malaria grants (total cost: \$31.4 million) were being transferred to Pilipinas Shell Foundation (PSF), which was already acting as PR for another Global Fund malaria grant. PSF is a non-profit organisation which serves as the social development arm of Shell Corporation. All three grants will be consolidated into one. The Global Fund also said that the two HIV grants (total cost: \$1.9 million) were being transferred to the Department of Health, which was already acting as PR for another Global Fund HIV grant.

The CCM recommended that the TB grant be transferred to a new PR, Philippines Business for

Social Progress (PBSP), a non-profit consortium of corporations which promotes corporate social responsibility, and works to reduce poverty in partnership with donor agencies, civil society organisations, communities, government and academia. The LFA assessment of PBSP is complete and grant negotiations are well advanced. The Global Fund expects shortly to sign a new grant with PBSP for up to approximately \$61 million.

In re-positioning the grants, the Global Fund has been able to realise savings of about \$19 million from the funds that had not yet been disbursed for the original grants to TDF.

