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## Secretariat and OIG report steady progress on implementing Global Fund AMAs

Good progress has been made in implementing agreed management actions (AMAs), according to a progress report from the Secretariat and the Office of the Inspector General (OIG). The report was prepared for the Board meeting held on 14-15 November in Geneva.

The report presented data on the status of AMAs as of 31 August 2018. This article provides some of the report's highlights.

Agreed management actions (AMAs) are actions decided jointly by the Secretariat and the Office of the Inspector General (OIG) in response to audits or investigations undertaken by the OIG. AMAs always have a deadline by which they are to be completed.

According to the report, the number of open AMAs (68) and overdue AMAs (22) are at an all-time low, since the OIG started systematically tracking and reporting on AMAs in 2014. In addition, all AMAs related to three areas — Country Coordinating Mechanism (CCM) processes, grant closure and risk management — have been closed.

The report said that this progress can be attributed to increased focus from the Secretariat, especially the Grant Management Division (GMD); to increased engagement with the OIG to resolve issues; and to the Audit and Finance Committee for actively driving progress.

AMAs that have yet to be implemented are labeled “open.” AMAs that are still open after their due dates are called “overdue.” If the overdue AMAs are more than 90 days late, they are termed “long outstanding.” (See the figure below.)

Of the 22 overdue AMAs, 15 are long-outstanding. Of these, seven relate to internal Secretariat processes and eight to in-country operations.

Of the seven Secretariat-related long-outstanding AMAs, three focus on the management of high-risk operating environments; two are on grant-making processes; and another two are related to sourcing processes.

Six of the eight long-outstanding in-country AMAs involve improving supply chains. The other two focus on quality of service.

Figure: Age of the overdue AMAs

Source: GF-B40-06, Joint AMAs Progress Report

The total number of overdue AMAs fluctuates as more OIG reports are issued (new AMAs are created with each new report) while older AMAs may be closed as they reach their due dates.

Below we provide further information on some of the long-outstanding AMAs.

In-country supply chains

AMAs related to in-country supply chains are inherently complex. In addition, there are sometimes internal factors that impede progress in implementing the AMAs. These include the coordination of supply-chain initiatives both within the Secretariat (e.g. between the supply chain team and country teams) and at country level (e.g. shifts in roles, responsibilities and reporting lines for supply chains in recent years). See Tables 1 and 2 for examples of long-outstanding AMAs related to the supply chain.

Table 1: Example of a long outstanding in-country AMA on the supply chain (Cameroon)

Source of the AMA: OIG audit on grants to Cameroon

AMA: The Secretariat, in co-operation with technical partners and the Ministry of Public Health, will organize and finance an assessment of the supply chain in Cameroon. Such assessment shall be directed towards long-term systematic improvement of the supply chain (e.g. cost effectiveness of the current/future model, considering options for outsourcing to the private sector, etc.). The Secretariat will support the government and partners to develop a road map based on the findings of this assessment.

Original due date: 31 July 2017

Current status: The assessment, initially planned for January 2017, was delayed by six months to align with the Supply Chain Initiative [see below]. The final report on the assessment was presented to in-country stakeholders in October 2017 while the country was focused on grant negotiations. To satisfy the AMA, the country should endorse the report through a supply chain steering committee. This committee was created by decree on 7 August 2018. The country team is now requesting that the authorities and partners ensure that the first meeting of the steering committee takes place and that the report is endorsed and the priorities defined prior to the presidential election scheduled for 7 October.

Revised due date: October 2018

Source: GF-B40-06, Joint AMAs Progress Report

(In 2016, the Global Fund launched a new [Supply Chain Initiative](#). It included developing a supply chain strategy; conducting in-depth diagnostics in 12 high-risk countries; and working with government and private sector partners to implement supply chain transformation projects.)

Table 2: Example of a long outstanding in-country AMA on the supply chain (Tanzania)

Source of the AMA: OIG audit on grants to Tanzania

AMA: The Secretariat will: (a) work with in-country stakeholders to ensure that the quantification and forecasting of malaria medicines and test kits is revisited before additional investments are made; (b) ensure that the PR identifies a suitable entity to manage the co-payment mechanism; and (c) ensure that the PR prepares a supervision and training plan that details the objectives of different types of training and supervision that will be undertaken, specifically addressing the quality of services that are found to be suboptimal, i.e. the retention of patients on treatment and treatment of malaria patients without diagnosis.

Original due date: 30 September 2016

Current status: Parts (a) and (c) have been completed to the satisfaction of the country team. This AMA has been fully implemented save for part (b), which requires the PR to identify a suitable entity to manage the co-payment mechanism. The CCM has endorsed the PR's proposal to keep the co-payment mechanism with the National Malaria Control Program. The OIG has agreed to close this AMA upon (a) recruitment of two additional staff to be supported under the grant; and (b) the [holding of a] meeting of a task force being established to oversee this component of the grant.

Revised due date: October 2018

Source: GF-B40-06, Joint AMAs Progress Report

#### Quality of services

Outstanding AMAs related to quality of services mainly involve the following:

- Gaps in health information systems;
- Data reliability challenges;
- Challenges in monitoring and evaluation systems and providing effective supervision; and
- Timely and effective risk management and assurance planning.

#### Managing in high-risk operating environments

According to the joint AMAs progress report, the Secretariat has a limited policy framework to guide or support grant management in high-risk environments. This has resulted in inconsistent identification or classification of high-risk countries, and in gaps or inconsistencies in response to the identified issues.

See Table 3 for a description of a long-outstanding AMA related to managing in high-risk operating environments.

Table 3: Long outstanding Secretariat-level AMA on managing in high-risk operating environments

Source of the AMA: OIG audit on management in high-risk operating environments

AMA: The Secretariat will: (a) develop a system to track countries under the Additional Safeguard Policy (ASP) through its Grant Operational System; and (b) update the operational policy note (OPN) on the ASP to clarify the processes for regular monitoring and review of countries under the policy and revoke where appropriate.

Original due date: 31 December 2017

Current status: The first item is completed, as the ASP is now captured in the new Grant Operating System. The OPN has not yet been revised, however. The Secretariat recognizes the need, as the OPN was last revised well before risk management was integrated with grant management processes. But because risk management at the Global Fund has matured significantly in the interim, the Secretariat now prefers to take a holistic view, making the implementation of this piece more complex than originally envisaged in the AMA.

Revised due date: December 2018

Source: GF-B40-06, Joint AMAs Progress Report

### Sourcing processes

One long-outstanding AMA relates to the creation of an automated platform to aggregate the individual drugs forecasts for the three diseases. The AMA resulted from the lack of a systematic consolidation of drug demand across portfolios. Manual aggregation of the requirements was required while the platform was under development. In late 2017, the Secretariat expressed reservations about the need for an automated platform for this task. The OIG clarified that the key requirement is to develop a systematic process for consolidating all health product forecasts. The OIG said that the AMA can be closed even if the process is manual as long as it generates reliable forecasts. The AMA will be addressed following the ongoing reorganization of sourcing and supply chain functions in the Secretariat (the Global Fund hired a new Head of Sourcing and Supply Chain, Philippe Francois, in July 2018).

### Why some AMAs become long overdue

AMAs can become long overdue for a variety of reasons, including the following:

- Some systemic gaps at country level are beyond the control of the Global Fund;
- Circumstances change (e.g. some developments may require that an AMA be adjusted);
- Some AMAs are dependent on action(s) being taken by the government of the affected country, which is beyond the Secretariat's control;
- Changes of government or political instability in the affected countries can cause delays;
- Unforeseen developments (such as a fire in the central medical stores); and
- Some AMAs turn out to be more complicated than initially envisioned.

Board Document GF-B40-06, Joint Agreed Management Actions (AMAs) Progress Report, should be available shortly at [www.theglobalfund.org/en/board/meetings/40](http://www.theglobalfund.org/en/board/meetings/40).

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