



Independent observer
of the Global Fund

COVID-19 DERAILS IMPLEMENTATION OF AGREED MANAGEMENT ACTIONS, THE GLOBAL FUND BOARD HEARS

The Global Fund reported slow progress in the implementation of agreed management actions (AMAs). It reported a rise in the number of open and overdue AMAs as of March 2020, according to a joint progress report by the Global Fund Secretariat and the Office of the Inspector General (OIG). This rise follows an [all-time low number of open and overdue AMAs](#) in 2017 and 2018. The Global Fund attributed the delays in the implementation of the outstanding AMAs, in part, to disruptions caused by COVID-19 and the higher prioritization of critical activities such as grant making, business continuity planning and the COVID-19 response.

The report, prepared for the Board meeting held on 14 and 15 May 2020, provided a status update of open and overdue AMAs as of March 2020. This article highlights the key points.

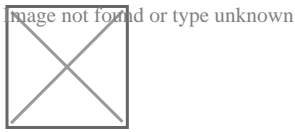
AMAs are [jointly reached, time-bound 'next steps'](#) that follow a country audit or investigation by the OIG. The OIG labels AMAs as “open” if they are yet to be implemented or “overdue” if the AMA has not been implemented by its due date. If implementation of the overdue AMAs is more than 90 days late, the AMAs become “long outstanding”. “Long overdue” refers to AMAs where implementation is more than 180 days late.

Progress in the implementation of AMAs

The report noted that over the last year, the number of open AMAs increased by 27% from 79 in March 2019, to 100 in March 2020. Within the same period, the number of overdue AMAs remained stable: 27 in March 2019 compared to 28 in March 2020. More than half of the overdue AMAs (16) were long outstanding while a quarter (seven) was long overdue. Four were late by less than 30 days while only one

was late by between 31 and 90 days.

Figure 1: Open and overdue AMAs from 2017 to 2020



Source: Joint Agreed Management Actions Progress Report

Long overdue AMAs

The report describes the seven overdue AMAs in detail including the source (e.g. a specific country audit or investigation), the due date, the ‘owner’ of the AMA, the Secretariat’s updates, and the OIG’s comments.

Of the seven long overdue AMAs, four relate to grant management, two to sourcing and supply chain, and one to finance.

Grant management

The four long overdue AMAs relating to grant management target four countries – Myanmar, Mozambique, Nigeria, and Zambia.

Myanmar’s AMA focuses on the development of an enterprise architecture blueprint for Health Information System Interoperability and was due on 31 December 2018. The Myanmar government has, however, deprioritized the completion of the blueprint in light of the COVID-19 pandemic and the arrival of nearly one million returnees from Thailand.

Nigeria’s AMA focuses on the Secretariat defining the Country Coordinating Mechanism (CCM) roles and responsibilities for countries under the Additional Safeguard Policy (ASP), and then setting specific expectations for the Nigeria CCM. The Secretariat has already published new CCM guidelines, but is yet to communicate specific expectations to Nigeria CCM. The AMA was due on 31 December 2018.

For Mozambique, the Secretariat has failed to conduct a national follow-up study to track and determine the status of lost-to-follow-up cases of people on antiretroviral treatment in selected sites, which was due on 31 December 2018. Unfortunately, an ongoing OIG audit in Mozambique has found limited improvements in retention in care.

Lastly, the Zambia AMA required that the Secretariat confirms that Medical Stores Limited (MSL) regularly reports stock variances in Global Fund-financed products and that any variances are being investigated as per the MSL procedures. The OIG noted that the Secretariat implemented this AMA in mid-April 2020, even though it was due on 28 February 2019. However, the OIG still needs to evaluate the improvements in stock variance reporting and investigation.

Sourcing and supply chain

The two sourcing and supply chain AMAs target the Secretariat. One AMA focuses on creating a platform for consolidating drug procurements of the Global Fund to improve timeliness and efficiencies. The Secretariat expects to finalize the platform within 2020 and start its use in 2021.

The other AMA focuses on clarifying the Secretariat’s Quality Assurance mandate including the necessary activities, roles and responsibilities. The OIG notes, in the report, that there is limited information on the

progress made on this AMA, despite being due on 31 December 2018.

Finance

This single AMA is assigned to the Secretariat to evaluate the design and effectiveness of the internal controls implemented by Population Services International (PSI) through the creation of a Global Fund Management Unit (GFMU) to mitigate risks. PSI is a non-state Principal Recipient in some Global Fund recipient countries. The Secretariat has implemented most of the activities under this AMA and, according to the report, the OIG considers this AMA status to be near completion. The AMA was due on 28 February 2019.

AMAs for Board consideration

For this report, the OIG singled out two AMAs and identified two strategic themes for Board consideration. The report explains that even though all issues highlighted by the OIG and the related AMAs are significant, the OIG singles out a few of them for Board consideration and discussion. The OIG considers risk, materiality, impact, pervasive or cross-cutting nature, and linkage to strategic priorities or initiatives while determining what AMAs to present to the Board. The OIG also reports themes that have multiple AMAs with similar content in different countries. The individual AMAs are not material, but are collectively significant.

AMAs reported for consideration by the Board focused on:

Program quality

Program quality and quality of services are a consistent theme in the OIG's AMAs. Currently, the report noted that there are 20 related AMAs from different country audits.

In-country supply chain

In-country supply chain is also a consistent theme in the OIG's AMAs and currently has 18 open AMAs. The report notes that the Secretariat has prioritized key portfolios for supply chain diagnostics and strategic planning for addressing underlying issues. The OIG reviews the ongoing supply chain work and the findings complement and inform these ongoing efforts.

The two strategic themes are critical for grant performance. The OIG notes that while issues, priorities, and solutions are often country-specific, the nature of challenges appears to be common across the portfolio.

Workforce capacity, efficiency and well-being

The report singles out one AMA, from the audit of [Global Fund human resources management processes](#) (GF-OIG-19-007). This AMA seeks to address critical human resource issues related to strategic workforce planning, consultant management, and talent management.

Procurement

The report also highlights an AMA from the follow-up audit on Global Fund [procurement processes](#). The AMA aims to address the performance challenges in the Global Fund's current TB procurement arrangement through the Global Drug Facility.

Feedback from the constituencies

Some Board constituencies commented on the progress of the implementation of the AMAs. The constituencies raised concerns about the potential impact of COVID-19 on the long overdue AMAs and risk management measures; potential consequences of unfulfilled AMAs; and the need for careful prioritization of activities. The constituencies also asked that the long overdue AMA to define the Secretariat's Quality Assurance mandate to be implemented as part of the quality assurance strategy.

Board Document GF-B43/03 (Joint Agreed Management Actions (AMAs) Progress Report) should be available shortly at <https://www.theglobalfund.org/en/board/meetings/43/>.

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