



Independent observer  
of the Global Fund

## Global Fund civil society implementers in English- and Portuguese-speaking African countries create forum to share experience

The Eastern Africa National Networks of AIDS Service Organizations (EANNASO) convened a meeting of Global Fund civil society Principal Recipients (PRs) and some sub-recipients (SRs) from Anglophone and Lusophone (Portuguese-speaking) Africa, with the aim of achieving better grant performance. The meeting aimed in particular to share reports of two studies commissioned by EANNASO on grant implementation and absorption, to exchange experiences, and explore the setting-up of a Community of practice (CoP). Executive Director of EANNASO Olive Mumba said, “cross learning among civil society PRs is key as it helps implementers learn from others, [their] different tools and tactics”. The meeting took place on 25-26 June 2019, in Kampala, Uganda.

Aidspan was invited to the meeting as an observer of the Global Fund.

### Reports commissioned by EANNASO

The participants first discussed two reports commissioned by EANNASO on assessment of civil society implementers (Principal Recipients) and on [grant absorption capacity](#) and improvement.

### Assessment of Principal Recipients

The [Assessment of Civil Society Principal Recipients in Anglophone and Lusophone Africa](#) report relied on a survey of 24 civil society PRs as well as on quantitative data, available online. The report found that 16 of the PRs had prior experience as a PR and an even greater number (19) were SRs of Global Fund grants. (Those numbers are not mutually exclusive.) Also, 16 of the respondents were local NGOs.

Almost all PRs (22 of the 23) were involved in SR selection but the PRs were not the only institutions in charge of selecting SRs, according to the report. Other institutions whose representatives had a say in SR selection were the Country Coordinating Mechanisms (CCMs), the Local Fund Agents (LFAs), the Global Fund country teams, the technical working groups, the Government line ministries, community groups, partners, and independent review panels.

The survey highlighted friction around access to Global Fund monies among civil society organizations and called on the Global Fund to issue guidance on the SR selection process, institutions that should be involved and the extent to which PRs can implement activities instead of relying on SRs. PRs can charge the grant up to a maximum of 5% on SR direct costs, according to the Global Fund operational manual; this manual indicates that these proportions may increase if the PR is an International Non-Governmental Organization (INGOs) or a United Nations agency, or if any institution operates under the Additional Safeguard Policy.

On close analysis, short of egregious misconduct, several factors made CCMs reluctant to change PRs. Those factors included the high costs of selecting new PRs (e.g. tendering, setting-up a selection committee, checking eligibility requirements of applicants); the three-year implementation period, which was tight, as the selection of the new PRs should occur during the last year of implementation, when the CCMs are busy with country dialogue and a new funding request write-up; and possible delays in grant initiation and implementation by new PR(s).

It is known that even established PRs with years of experience face delays in grant implementation. For instance, both Amref Health Africa and Kenya Red Cross, which are the two Civil Society PRs in Kenya, only called for expressions of interest from organizations applying to work as their SRs, [six to nine months after the beginning of the grant](#). Considering the time needed to complete SR selection and to allow those not selected to go through all the recourse processes, those grants were delayed by about a year, resulting in lower grant performance and absorption. The PRs need to move vigorously with grant implementation acceleration plans in order to reach their targets; this is vital in the Global Fund performance-based financing model.

The report underscored that all PRs had well-established and staffed Monitoring and Evaluation (M&E) units and reported 'upward' to multiple entities i.e. CCMs, National AIDS Control Councils (NACCs), regional bodies, government ministries and programs – but do not report 'downward' to any entity. Almost all Civil Society PRs (21 out of 23) had high levels of interaction with CCMs, which mainly happened within the oversight committee of every CCM. The oversight committee helped resolve operational challenges such as commodity stock outs, acquisition and distribution of equipment, and selection and management of SRs.

### Grant absorption by Principal Recipients

The report on grant absorption, as yet an unpublished study (although [a presentation is available](#)), explained how issues at the design and implementation stages impeded grant absorption, and offered recommendations. The study used information from eight countries: Ethiopia, Ghana, Malawi, Nigeria, South Sudan, Tanzania, Zambia and Zimbabwe.

The study found that although civil society representatives were often represented in the country dialogue and funding request discussions, this representation was of "low quality," the presentation stated. For instance, representatives of local civil society or key-population organizations often attended meetings unprepared, without data and other documentation to make their cases. Thus, the design of the grant may not fully include their ideas; however, those organizations were often in charge of demand creation because they know the most-at risk population better than any other institution. Those design issues were

compounded at implementation level by a delayed start of the grant, a delayed selection and onboarding of sub-recipients, often deficient civil society PRs' capacity to procure health commodities and equipment, and late disbursements by the Global Fund Secretariat. Other factors that accounted for low absorption were, paradoxically, efficiency and exchange-rate gains leading to savings; when those savings were not re-programmed in a timely manner, they became unspent funds, recognized as low absorptive capacity of the PRs.

Unsurprisingly, the authors of the study recommended a greater involvement of key populations in the design of the grant, in the grant-making negotiations, and increased resource allocation for capacity building, including learning from peers and their best practices.

### Other Principal Recipient experiences

#### Local and International NGO co-application to Global Fund grant

Meeting participants learned from the experience of Frontline AIDS, which is a PR for HIV programs, together with local NGOs, [in the Middle East and North Africa \(MENA\)](#) region. [Frontline AIDS](#) is an international NGO with strength in financial and M&E systems. MENA H is a key-population-led coalition of organizations with strength in training, mentoring and need-creation activities, but weak on financial and M&E systems. By leveraging each institution's strengths, their co-application was able to deliver services to key populations in the region, while building the financial and reporting systems capacity of the local NGOs.

#### Some PRs' low capacity unmitigated by technical assistance

According to some participants, low capacity of staff, both at PR and SR levels, caused poor grant performance. This low capacity was likely to remain a feature of some grants as the Global Fund chose not to provide local NGOs with extra funds to help them build organizational strength and capacity; in contrast, the Global Fund paid [Indirect Cost Recovery \(ICR\)](#), a percentage of the grant funds received by the headquarters of the INGOs that work as PRs. Those INGOs could use the funds to support capacity building within their different operations. This imposition of higher fees by INGOs echoed earlier reports of the Office of Inspector General, who noted, [in the West and Central Africa review](#), for example, the fact that INGOs (as well as United Nations agencies) acting as pass-through PRs were much more expensive than other implementers, but not better performing than State PRs.

Participants discussed at length the importance of obtaining technical assistance to write funding requests and negotiate grants. Otherwise, grant implementation became arduous, especially when the PRs had to implement new activities that were not clearly understood, delaying grant implementation.

#### Risks associated with sub-recipient selection and management

Countries have different rules and regulations on sub-recipient selection and management, which affect grant implementation. In Kenya, for instance, the CCM selected SRs with some input from the PRs; PRs were not allowed to implement the grants. All implementation activities were conducted through the SRs in order to avoid conflicts of interest with PRs. The idea is that if a PR with multiple branches implements a grant with their headquarters as PR and the branches as SRs, the headquarters staff may 'prop up' their colleagues in the branches or cover up their misconduct.

In contrast, in Zambia, the civil society PR selected the SRs and also implemented some grant activities. Michael Kachumi from the [Churches Health Association of Zambia](#), a civil society PR, explained that country context mattered to justify different implementation arrangements. CHAZ, he explained, is about 50 years old and existed long before the Global Fund came into being. In contrast to other organizations, CHAZ was not created expressly to take advantage of Global Fund monies. CHAZ had been

implementing other grants and activities before becoming Global Fund PR, which put the organization in a position to negotiate the terms of its PR role. For instance, CHAZ would accept responsibility for the actions of SRs (which is a Global Fund requirement) only if it had selected those SRs.

Participants also discussed conflict-of-interest issues that they said were rife in some CCMs. Three examples were highlighted. First, civil society PRs had to report to CCM members who intend to dismiss existing PRs in order for their own civil society organizations to become PRs; second, CCM members exerted pressure on PRs or other CCM members to select their organizations as SRs; third, some civil society PRs could not be dismissed even in cases of weak performance because those organizations were created by “connected people”. This discussion echoed the presentation of the Global Fund portfolio manager for Ghana, Marc Saafeld, who talked about his previous experience with other CCMs so riddled with conflicts of interest, that those conflicts impeded the CCMs’ wide representation and oversight function.

### Community of Practice

The meeting ended with a discussion on establishing a community of practice (CoP) where PRs can continue learning and helping each other during grant implementation. The Frontline AIDS representative demonstrated how its CoP works online with the participation of members from different MENA countries and its headquarters in the United Kingdom. Learning from Frontline AIDS, the civil society PRs’ community of practice will be hosted online with an EANNASO staff member acting as a moderator. In addition, members of the CoP will have an annual, in-person meeting convened by EANNASO.

Overall, participants felt that the meeting and learning had reached its objectives. As Peter Kamau, a participant from Kenya who represented a sub-recipient said, “The meeting provided a unique platform for PRs and SRs from Anglophone Africa to share and learn from each other [in order] to improve grants’ performance and response to the community”.

### Further reading:

- [Report on the assessment of civil society principal recipients in anglophone & lusophone Africa](#), December 2018.
- [The Anglophone Africa civil society and communities making GF grants effective: Situational analysis of CSOs PR Funds Absorption Capacity](#), May 2019.

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