



Independent observer  
of the Global Fund

## DISPUTE ERUPTS ON MOLDOVA CCM; GLOBAL FUND SECRETARIAT DECLINES TO INTERVENE

Six representatives of civil society organizations (CSOs) on Moldova's National Coordination Council for National HIV/AIDS Prevention and Control Programs – the body that fulfils the functions of a country coordinating mechanism in Moldova (hereinafter “CCM”) – have appealed to the Global Fund Secretariat to intervene with respect to how the voting was conducted for a decision made on budget allocations and implementation arrangements for an HIV funding request that Moldova submitted in March 2017. The request is now in grant-making.

The Secretariat has declined the request to intervene.

Currently, Moldova is using dual track financing (DTF). It has two HIV grants. The PR for one of them is the Center for Health Policies and Studies (PAS). The PR for the other grant is the Coordination, Implementation and Monitoring Unit of the Health System Projects (UCIMP), a unit of the government.

The underlying issue is about the best way to handle severe reductions in Moldova's allocation from the Global Fund. On a per-year basis, Moldova's allocation was cut by 43% in 2017-2019. Moldova received \$9.8 million per year in 2014-2016 for HIV and TB combined (based on the assumption that the 2014-2016 allocations were exceptionally designed to cover four years). For 2017-2019, its allocation per year was reduced to \$5.6 million.

Two of the six CSOs are networks representing multiple CSOs: the Union of NGOs Active in HIV/AIDS Prevention and Harm Reduction; and the Platform of Organizations active in TB Control. The other four CSOs are the League of People Living with HIV/AIDS; Gender DocM; Soros Foundation Moldova; and the PAS Center (the current PR for one of Moldova's HIV grants).

CSOs have seven seats on Moldova's 33-member CCM. The seventh CSO, Positive Initiative, did not join the other CSOs in the appeal.

### Disputed decision

The disputed decision was made on 29 June 2017 when the CCM considered three different scenarios put forward by the technical working group that the CCM established to prepare the funding request. The scenarios were:

1. to go over budget and hope to obtain additional funding from the Global Fund;
2. to keep both PRs and let them decide how to reduce the costs of managing their respective programs; and
3. to go with just one PR and adopt different approaches to how prevention services are organized.

The discussion primarily focused on two ways of achieving savings: (a) reducing administrative costs; and (b) reducing the costs of the prevention programs. With respect to the latter, the working group discussed the possibility of integrating the services provided to key populations into one big project instead of having multiple separate projects – i.e. one for each population, which is the way the prevention program is currently organized. (In Moldova, the key populations are persons who inject drugs, sex workers, men who have sex with men, and persons living with HIV.)

The working group also discussed a unified approach to calculating the costs per beneficiary of prevention services; however, it is not clear how this would result in savings.

Ultimately, the CCM decided to go with just one PR, UCIMP, and to introduce innovative program approaches, including unification of the cost per beneficiary and replacing multiple prevention projects with one big project. Positive Initiative supported this decision; the other six CSOs were opposed.

Under the CCM's plan, UCIMP will have just one sub-recipient: Positive Initiative.

The PAS Center representatives told Aidsplan that that the six CSOs were opposed to the unified approach to calculating per beneficiary costs for prevention services. They believe that the calculations amount to playing around with the numbers without any clear rationale. The PAS Center believes that the costs of prevention services must be based on the costs of providing a package of minimal services which is different for each key population.

The six CSOs sent a [letter](#) to the Global Fund Secretariat in which they are argued that there were procedural violations concerning how the CCM decision was taken. One of the violations, the CSOs said, was that no information on the three scenarios was circulated in advance of the 29 June meeting. Other alleged violations were as follows:

- failure to observe the agenda;
- misinterpretation of the CCM's conflict of interest policy (by letting non-CCM members participate in the voting process; and
- adopting the decision with insufficient number of votes.

In the letter, the CSOs asked that the 29 June decision be revoked, and that the technical working group

be recalled to do more work on the budget of the funding request.

## Response to the CSO's letter

In response to the letter from the CSOs, René-Frédéric Plain, Manager of the CCM Hub for the Secretariat, said:

“The Global Fund investments in Moldova, as in many other countries, are managed by the CCM. The CCM is governed and operates according to its internal policies and regulations. The CCM's eligibility requirements were validated at the time of the Funding Request submission and are monitored every year or once every two years by a third party through an ‘Eligibility and Performance Assessment,’ which is then validated by the Global Fund. We believe these processes provide sufficient safeguards. The process of determining the organization or organizations that manage Global Fund grants within a country is the sole responsibility of the CCM. The Global Fund does not take a position on the matter.”

The CCM, which was copied on the letter from the CSOs, also responded. It rebutted each argument made by the CSOs, and it said that the CSOs' appeal constituted “unilateral misinformation of public opinion, the donor (GF), the development partners; and manipulation of civil society organizations represented in CCM, thus discrediting and intimidating those who do not support their position.”

## Reaction from PAS Center

The PAS Center also prepared a [position paper](#). Although both the paper and the letter from the six CSOs emphasize the alleged procedural violations, most observers believe that the CSOs are more concerned about the decision itself and about the fact that the government was basically ignoring the wishes of a large portion of civil society, including the key populations themselves.

In its position paper, the PAS Center said that in January 2017, the CCM “reconfirmed through unanimous vote” its intention to apply using the program continuation option and also reconfirmed the current implementation arrangements. According to the Center, “the Technical Review Panel has confirmed that the country should continue its program along the same directions and with the same arrangements.”

The PAS Center said that the decision to go with just one (government) PR was “a political decision, not based on technical grounds, inconsistent with previously expressed commitments, adopted with procedural irregularities and not meeting the necessary number of votes.”

The PAS Center said that throughout the grant-making phase, its team has on many occasions been subject to bullying tactics.

The PAS Center said that it was concerned that the government PR, UCIMP, is not a completely state agency. Although it is under the health ministry, it is fully dependent on international financing. Therefore, the Center said, selecting this PR would not enhance the sustainability of Moldova's HIV programs. (Although Moldova HIV is not on the Global Fund's list of components expected to transition by 2025, a transition plan has nevertheless been developed. No date has been fixed for the transition, however.)

Alexander Curashov, Advocacy Director of Positive Initiative, thinks that at this stage it is not that important whether the PR is from civil society or government. He argues that after the Global Fund program is fully taken over by the government, there will be no need to have a PR. In the meantime, Curashov said, the role of the PR will be to support the national HIV program team to increase its capacity to manage the program.

## Other reaction

Several comments were posted on the website of the East Europe and Central Asia Union of PLWHIV (ECUO). Vladimir Zhovtyak, President of ECUO told Aidspan that his network is concerned about the situation. “The procedural violations, ignorance of the position of CSOs, and their exclusion from the decision-making process, are unacceptable.”

Anna Dovbakh, Executive Director, Eurasian Harm Reduction Network (EHRN), said: “All, NGOs, communities, and the state, have the same proclaimed goals: to ensure sustainability of HIV care continuum services for vulnerable groups in conditions of reduced Global Fund financing... It is a pity that in the decision-making process on the main program indicators, we failed to organize a full-fledged discussion and reach a consensus with the leaders of communities and NGOs. But I hope that wisdom and a common understanding of goals will win, and we’ll be able to establish a constructive dialogue and further work to ensure the survival of services for those in need.”

Gennady Roschupkin, Technical Coordinator, European Coalition on Male Health (ECOM), said that “the government of Moldova is not only excluding communities from the decision, they are trying to change the rules suggested by the Global Fund.” This was a reference to the CCM’s decision to go with just one (government) PR.

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