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PR NETWORK ASKS GLOBAL FUND TO STRENGTHEN ROLE OF CIVIL SOCIETY IN DUAL-TRACK FINANCING

At the annual meeting of the Civil Society Principal Recipients Network (CSPRN), civil society principal recipients (PRs) and the Global Fund examined ways to establish more effective systems and guidelines for dual-track financing and to strengthen the role of civil society within this framework. Civil society PRs also suggested ideas to improve access to funding, human rights programming and the inclusion of key populations in Global Fund processes.

The CSPRN annual meeting was held in Geneva from 28-30 March 2017. CSPRN is a collaboration that was formed in 2008 to provide a forum for civil society PRs managing Global Fund grants to share best practices and lessons learned around grant implementation. CSPRN also provides a platform for the network to communicate with the Global Fund Secretariat to improve procedures and systems in support of better quality grant management and increased impact. Since 2014, CSPRN has been recognized as the “CSPRN Advisory Group” by the Global Fund, with regular exchanges with Secretariat teams on all operational aspects of programs financed by the Global Fund.

Twenty-nine delegates from national and international NGO's attended the 3-day meeting representing 40 PRs from all regions. The first two days were dedicated to internal discussions covering issues such as the role of PRs in access to funding, risk management, strengthening human rights and gender equity, and dual-track financing. The participants also had the chance to learn about each other's best practices in terms of managing grants and finding solutions to problems as they arise. The third day of the meeting was used for a dialogue between civil society PRs and the Global Fund Secretariat which was represented at the meeting by officials from the Grant Management Division as well as from the Community, Rights and Gender (CRG), Risk Management and Access to Funding teams.

Dual-track financing

Discussions about dual-track financing were inspired by experiences with this mechanism by civil society PRs in Bolivia and Guatemala (HIVOS), Malawi (World Vision) and South Africa (Right to Care). Government and civil society PRs work together in many countries and the practice is well established, but it has both advantages and drawbacks. At the meeting, participants highlighted key benefits of dual track financing, including increased absorption capacity (taking full advantage of the implementation capacity of all domestic sectors, both governmental and non-governmental); accelerated implementation and performance of grants; and strengthening of the implementation capacity of weaker sectors.

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The participants from HIVOS said that some of the strategies that had enabled the organization's success in dual-track financing included clear agreements with co-actors spelling out the separation of technical aspects from administrative issues, while ensuring respect for each organization's institutional role, structures and procedures. In addition, participants from HIVOS, World Vision and Right to Care emphasized the need for continuous advocacy and close collaboration with government PR representatives, especially concerning joint planning, program implementation and supervision of activities.

To further improve the relationship between government and civil society PRs, participants recommended that civil society PRs be visible and active in country-level activities and mechanisms – by, for example, participating in their country's technical working groups; attending program implementation committee meetings organized by the Ministry of Health (MOH); and sharing their implementation challenges with both the country coordinating mechanism (CCM) and the MOH while working with other national actors to create impact.

The civil society PRs reiterated the added value of their role in dual-track financing and asked the Global Fund to further strengthen its role by addressing the following issues:

- A lack of political commitment to human rights issues slows implementation of Global Fund grants – for example, when governments do not prioritize key populations that are the focus for the civil society PR grants.
- A lack of clarity in the delineation of roles between civil society PRs and government PRs hinders constructive collaboration. The Global Fund needs to confirm roles of civil society PRs and collaboration mechanisms before starting dual-track financing in any country.
- Low performance of one PR affects the progress report rating of the other PR when their indicator targets are linked and dependent.

The participants from the Global Fund said that dual-track financing has proved a pragmatic approach for contexts in which governments are reluctant to take on human rights and gender issues. However, they added, having too many PRs in one country is not efficient.

The Fund participants said that coordination was effective in countries such as Gambia and Zambia where civil society PRs focused on getting commodities “to the last mile.” They emphasized that the value added of civil society PRs was to mobilize constituencies and communities to ensure reach and impact; bring insight on effective implementation and barriers to access; get more impact with less resources; and ensure that sub-recipient (SR) capacity building is included in the planning and funding of proposals.

Emphasizing the need for close coordination between civil society and government PRs, Mark Eddington,

Director of the Fund's Grant Management Division, said: "We have a different situation than 10 or 15 years ago when we operated in an emergency response mode. Nowadays, national coverage levels are much higher and we need close collaboration between civil society and government PRs to ensure good alignment and best possible impact."

Preparation of funding requests and SR selection

CSPRN delegates also discussed the pros and cons of the Global Fund's new funding model. One of the main points of discussion was the involvement of civil society PRs in the preparation of proposals. Civil society PRs reported that in some countries they were invited to participate in the planning and writing of funding requests. This was the case in the Democratic Republic of Congo (DRC) and South Africa, for example, as reported by Population Services International (PSI) and NACOSA, respectively. In other cases, the CCM has been reluctant to involve the PRs, fearing a conflict of interest. This is the case in Haiti and Madagascar, as reported by PSI.

Concerning SR selection, meeting participants reported that, often, CCMs choose to heavily influence or exclude the PR from SR selection even though SR selection is a task clearly assigned to the PR. This is a problem well acknowledged by the Global Fund, as stated by a representative from the Access to Funding team: "We do recognize that some CCMs are over-involved in SR selection. The ideal situation is when the SR selection is conducted by the PR with constructive input by the CCM."

Exclusion of the PR from the funding request process can create an awkward situation for the PR if it has to defend budget cuts – during grant-making or during implementation of the grant – to other civil society organizations even though the PR was not involved in the original budget creation.

In general, participants said, the interventions included in the grant will be more practical and relevant if the PR is involved in the grant design. "When PRs are not involved from the beginning in the funding request writing, the final programming and budgeting becomes unnecessarily complicated," says Marieta de Vos, Programme Director of NACOSA.

A related issue is the considerable costs that civil society PRs incur when they contribute to the funding request and to negotiating grants in the grant-making phase. Civil society participants at the meeting said that although they acknowledge that expenses related to the preparation of proposals are not allowable, expenses related to grant-making should be approved by the Global Fund expeditiously, if requested by civil society PRs.

Another issue civil society representatives brought up was that some guidance documents were unrealistic. One example is the application form to build resilient and sustainable systems for health (RSSH): The request that RSSH should be in one of the disease applications can prevent RSSH from being integrated across diseases.

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Civil society representatives commended the Global Fund for having come up with an overall much-improved funding process. Said Catherine Mulikita, from the Churches Health Association of Zambia (CHAZ): "The new funding cycle is easier to understand and better to navigate than the earlier rounds of funding." In terms of other tangible advances, the participants highlighted the generally sound and helpful involvement of the Global Fund country teams; the option to choose different modalities for the funding request, such as program continuation or tailored review; improved inclusivity of key populations in the country dialogues; and a smooth PR identification process in many countries.

The CSPRN advanced several recommendations to the Global Fund regarding access to funding, including the following:

- Strengthen guidance for all countries to facilitate civil society PRs' participation in the country dialogue and funding request.
- Include, as a standard practice in all grants, a budget provision to support costs incurred by civil society PRs during grant-making.
- Clarify the role of PRs and CCMs in SR selection.

Limited liability concerns

A recurring concern for civil society PRs is the lack of limited liability clauses ("force majeure") in agreements for grants they are implementing. Limited liability clauses relieve the PRs of liability in case of losses due to events beyond their control. Not having limited liability clauses leaves the PRs with a heightened financial risk for losses they are not responsible for, such as looting of grant commodities. While sometimes civil society PRs manage to negotiate these clauses into their individual grant agreements, there is no blanket recognition by the Global Fund that this lopsided responsibility should be alleviated by limited liability clauses. CSPRN continues to press for a formal, standard policy from the Secretariat to include limited liability clauses in all grant agreements.

Mark Eddington said that civil society PRs and the Global Fund Secretariat "are getting closer on this issue." However, he stressed the PRs' responsibility and said that his division takes a reasonable approach to assess if the NGO did everything possible first to file an insurance claim, in which case the Global Fund would cover deductibles. Mr. Eddington encouraged civil society PRs to continue to dialogue with the Grant Management Division on this issue.

Human rights and gender

Addressing the issue of human rights and gender in Global Fund grants, CSPRN members underlined that civil society PRs are the ones who most often take the lead with respect to human rights, key populations and community strengthening approaches in grant implementation. Mirjam Musch, Senior Strategist, HIV and Human Rights for HIVOS said, "Civil society continues to have a crucial role in reaching key populations at country level. Our expertise in reaching neglected populations and monitoring public policies and investments is needed as governments often fail to provide key populations-friendly services."

CSPRN members face many challenges in this area. Three CSPRN members, HIVOS (with grants in Bolivia and Guatemala), Kimirina (Ecuador) and NACOSA (South Africa) presented their project achievements and challenges. HIVOS has three HIV grants in Latin America as well as three regional grants (in Southeast Asia, Latin America and the Caribbean, and Southern Africa) focusing on human rights and key populations. It is critical to partner with key population organizations and networks even though often their capacity for Global Fund grant management is quite weak, HIVOS said, so organizational strengthening is most essential. CSPRN asked the Global Fund to allocate more resources for capacity building on human rights and gender and to allow scale-up for key populations programming in all countries and not only in so-called "hot spots."

Discussing the latest crackdown on the LGBT community in Tanzania (see [GFO article](#)), Global Fund staff from the CRG team assured the CSPRN delegates that the Global Fund Secretariat is doing a lot of "behind the scenes work" to alleviate the effects of such human rights infringements and to remind the governments of their human rights commitments. Said Kate Thomson, Chief of CRG: "We are working closely with civil society in Tanzania to find the right solutions to deal with this incident. Local civil society

needs to be in the driver's seat when we think of the right reaction to human rights infringements in countries with Global Fund grants."

In summary, the CSPRN meeting affirmed the crucial role of civil society in implementing Global Fund grants; the necessity to support civil society PRs to address their specific implementation and political challenges; and the added value of a close collaboration among civil society, governments and the Global Fund Secretariat in Global Fund grant implementation.

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