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of the Global Fund

Board Rejects Request for Phase 2 Funding from Sri Lanka

In August 2010, the Global Fund Board rejected a request for funding for Phase 2 of a Round 6 tuberculosis (TB) grant in Sri Lanka. This is the first time in more than three years that the Global Fund has declined to approve a Phase 2 request. Some Board members opposed the decision.

The PR for the grant is Lanka Jatika Sarvodaya Shramadana Sangamaya ("Sarvodaya"), a local development NGO. The programme supported by the grant was designed to strengthen Sri Lanka's TB control efforts by widening the scope of directly observational therapy (DOTS) to reach marginalised and vulnerable populations. Activities included promoting a single national TB control programme implemented through all health care providers; implementing interventions to address HIV-related TB and multi-drug-resistant TB; and increasing access to better quality DOTS services. One of the objectives of the programme was to empower communities to become an inherent part of the TB control efforts.

The programme was being implemented through two grants. Sarvodaya was the PR for one grant; the Ministry of Health (MOH) was the PR for the other grant. The Sarvodaya grant started in January 2008, which coincided with the start of a renewed offensive by government forces against the Tamil Tigers in Sri Lanka's civil war. The fighting did not end until May 2009.

The budget for Phase 1 of the Sarvodaya grant was \$957,593. At the time of the request for Phase 2 funding, \$624,995 of the Phase 1 funds had been disbursed. The request for Phase 2 funding was submitted by the CCM on 15 September 2009. On 16 March 2010, the CCM was notified by the Global Fund Secretariat of its intention to classify the request as "No Go."

Reasons for the "No Go" recommendation

The Secretariat said that performance was inadequate, with 10 of 12 indicators showing poor results. The

Secretariat added that Sarvodaya had failed to establish the effective linkages needed to support the activities of the Ministry of Health, as envisioned by the dual-track financing element of the original proposal. The Secretariat also said that Sarvodaya had demonstrated poor coordination with its sub-recipients (SRs); that Sarvodaya had not established mechanisms to measure the indicators in the performance framework; and that Sarvodaya had not provided evidence that the grant was widening the scope of DOTS among marginalised populations.

In accordance with Global Fund procedures, the CCM was given four weeks to respond to the concerns raised by the Secretariat.

Response from the CCM

In its response, the CCM said that the civil war had negatively impacted the ability of Sarvodaya to carry out community-based activities, but that the pace of implementation had picked up considerably since the end of the conflict. The CCM added that the conflict, as well as certain other factors, had adversely affected the establishment of linkages to support MOH activities, but that the Ministry and Sarvodaya, together with the SRs, had now drawn up a comprehensive strategy to establish these linkages.

The CCM stated that deficiencies in government and private sector reporting systems had resulted in the grant score card indicating poor scores for some indicators, even though Sarvodaya had accomplished a considerable proportion of the work entrusted to it. Finally, the CCM said that Sarvodaya had now put in place mechanisms to accurately measure results, and that Sarvodaya had recruited people to strengthen its SR management capacity.

Additional comments from the Global Fund Secretariat

The Global Fund Secretariat said that the response from the CCM failed to fully address the concerns it had raised. The Secretariat said that no significant updated results were presented to address the weakness in performance noted at the time of the initial Phase 2 review; that the CCM did not provide evidence that adequate systems have been established to allow Sarvodaya to accurately report on key indicators; and that, although it had recently undertaken positive steps, particularly since the cessation of conflict in parts of the country, the CCM had carried out very few decisive actions since receiving the “No Go” intention letter from the Secretariat.

Consequently, the Secretariat re-affirmed its “No Go” recommendation. The Board followed this advice, and rejected the funding request. The vote was held electronically (i.e., by email). There were some dissenting votes, but not enough to block the recommendation from going through.

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