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Report Is Critical of PR in Haiti; Change of PR Is Imminent

An audit report on Haiti, recently released by the Office of the Inspector General (OIG), has revealed significant issues with the performance of the Société Générale Haitienne de Banque (also known as Fondation Sogebank), a non-profit foundation which has served as the principal recipient (PR) for all but one of the Global Fund grants in Haiti.

The OIG made a number of recommendations concerning how these weaknesses should be addressed. However, the OIG's findings and recommendations have been overtaken by several events, including the following:

- Shortly after the audit was completed (at the end of 2009), Haiti suffered a catastrophic earthquake which negatively affected the ability of government and aid workers to deliver even basic services.
- After the earthquake, the Global Fund decided that the Haiti grants would fall under its Additional Safeguard Policy (ASP). (The ASP allows for special controls to be implemented that go beyond normal requirements.)
- New PRs were selected to replace Fondation Sogebank for recently approved (and as yet unsigned) Round 8 (malaria) and 9 (TB) grants.
- In May 2010, after being unable to address in full requests from the Global Fund Secretariat, the Fondation Sogebank officially resigned as PR for all grants it was managing. This includes HIV grants from Rounds 1, 5 and 7; and TB and malaria grants from Round 3.

UNDP offered to take over the HIV grants as well as the new Round 9 TB grant. The Secretariat is now working with UNDP on the negotiation of new grant agreements. The Secretariat says that the transition period should last between three and six months, and that the Fondation Sogebank will remain as PR until about the end of 2010. Population Services International (PSI Haiti) will become the PR for the Round 8 malaria grant. (The Round 3 malaria and TB grants have been concluded.)

Details on the OIG's findings concerning Fondation Sogebank can be found in the audit report. (The report also contains the responses from the Fondation to the recommendations of the OIG; the Foundation disagreed with the majority of the recommendations.)

The audit also covered the CCM and the LFA. With respect to the CCM, the OIG said that although it had taken steps to improve its oversight function, the CCM suffered from frequent turnover of members, mainly government officials that are rotated in and out of the CCM on a regular basis. In addition, the CCM Secretariat was getting its operating funds from the PR and its sub-recipients (SRs), a practice which threatens the independence and objectivity of the CCM. Finally, the OIG said that communications between the CCM and other stakeholders was poor.

In its response to the audit, the Global Fund Secretariat indicated that technical assistance would be provided to the CCM "to strengthen its capacity as an overseeing body," and that training of SRs would be undertaken to strengthen their institutional capacities and enhance dialogue and cooperation with other stakeholders.

Concerning the LFA, KPMG, the OIG found fault with the quality of its work. In its response to the OIG report, the Secretariat reported that as a result of the OIG's concerns and its own concerns, notice was given to KPMG that its contract would be terminated. The terms of reference for LFA services in Haiti were strengthened, and the contract was then re-tendered. (As it happens, KPMG was the successful bidder for the re-tendered contract; however, the composition of its LFA team was altered.)

The OIG also looked at how the Global Fund Secretariat had managed the Haiti file. The OIG said that the risks and deficiencies should have been picked up earlier by the Secretariat. However, it said,

"A 2009 change in the Secretariat's personnel responsible for Haiti programs significantly contributed to the marked program performance improvement. In particular, the new team identified solutions to resolve long outstanding weaknesses, including the critical lack of capacity of the PR to satisfactorily perform its various important roles. In October 2009, Secretariat representatives, including members form the Country Programs, Finance and Strategy, Performance and Evaluation Clusters, conducted a mission to Haiti that identified a number of deficiencies of the PR that critically needed to be addressed."

Nevertheless, the OIG noted that there was no systematic process in place in the Secretariat to monitor recommendations resulting from its reviews of the performance of the LFA, thus posing a risk that important identified issues could remain unresolved. In its response, the Secretariat said that new processes had already been established.

The information for this article was taken from "Country Audit of Global Fund Grants to the Republic of Haiti," 1 October 2010, available at www.theglobalfund.org/en/oig/reports.

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