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of the Global Fund

CONSOLIDATED TRANSFORMATION PLAN ADOPTED

Plan reflects the High-Level Panel recommendations and the Fund's new five-year Strategy

Plan includes 31 projects and 162 deliverables

At its meeting in Accra, Ghana, on 21-22 November 2011, the Global Fund Board approved a Consolidated Transformation Plan (CTP). The plan provides a detailed roadmap concerning changes that the Global Fund will introduce in the next 18 months.

The CTP was put together using input from a variety of sources, including the Global Fund Strategy 2012-2016 (also adopted at the Accra meeting); the report of the High-Level Panel; the Fund's own Comprehensive Reform Plan; and recommendations from the Global Fund's Office of the Inspector General (OIG) from its many audits and investigations.

The CTP consists of six "transformation areas," 31 projects and 162 deliverables. The six transformation areas are as follows: (1) resource allocation, investment, results measurement and evaluation; (2) risk management; (3) grant management; (4) Secretariat organisation; (5) governance; and (6) resource mobilisation. Table 1 provides a list of the 31 projects.

Table 1: CTP projects, by transformation area

Transformation area	Projects
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Resource allocation, investment, results measurement and evaluation (six projects)	Early launch of elements of a 2-stage application approach through Round 11 (incl. NS)
	Design and roll out two stage application/approval model
	Improve and link financial reporting framework to Fund services, investments
	Improve results reporting, strengthen data management systems, focus on quality
	Focus performance-based funding on outcomes, impact to improve strategic investment
	Improved value for money in strategic investment decisions
Risk management (four projects)	Corporate Risk Management Framework
	Operational Risk Management Framework
	Country Segmentation Matrix and application of differentiated safeguards
	Define Responsibilities of External Auditors
Grant management (10 projects)	Improved Grant Management – Processes
	Improved Grant Management – Organization and Structure
	Develop codes of conduct for Global Fund stakeholders
	Establish protocols and methods of work between Secretariat and OIG
	Refine the scope and improve the timeliness of OIG reports
	Strengthen information provision to the Board on audit and investigations
	Redefine the relationship with the UNDP
	Enhancing partnerships work to improve grant implementation and mitigate risk
	Workforce Alignment
	Leverage the Investments in LFAs
Secretariat organisation (six projects)	Human Resource Review
	Reinforce the Executive Management Team
	Implement The Global Fund Consolidated Transformation Plan
	Develop implementation plan for the Global Fund 2012-2016 Strategy
	Create a cohesive corporate culture
	IT Unit Reorganization
Governance (four projects)	Identify the Role of the Board
	Refining the role and structure of core advisory functions, assessing Board composition strengthening implementer engagement in the governance framework
	Define an appropriate Committee structure and membership framework to strengthen participation and performance
	Improve Board and Committee self-governance, strategic leadership on risk-interdependence administrative management
Resource mobilisation (one project)	Review of Replenishment Mechanism

Each project has between one and 13 deliverables. For example, the “Improved grant management – organization and structure” project, in the “Grant management” area, has eight deliverables, as follows:

1. Updated TORs of Country Team members
2. Updated decision-making framework for fund portfolio managers (FPMs) and country teams
3. Framework for rotation and professional development
4. Definition of the accountability of country team members and performance expectations

5. Additional country team approach (CTA) countries identified and required staff assigned
6. CTA expansion based on risk factors and resource requirements
7. Tailored scope of work for LFAs for expanded CTA portfolio
8. Increase of number of countries managed under CTA

The plan documents tabled at the Board meeting consist of two parts: (1) a 17-page narrative description of the plan; and (2) an attachment which outlines the plan matrix in table format. The matrix is organised by High-Level Panel recommendation, which allows the reader to see how the CTP responds to the recommendations of the Panel. The matrix shows who is leading each project, and what the due date is for each deliverable.

The matrix also lists the objectives for each project. For example, the objective for the “Operational risk management framework,” project in the “Risk management” area, reads as follows: “Develop an operational risk management framework that will provide FPMs and Country Teams with the tools to address operational risk management in a consistent manner and empower them to make the necessary decisions to facilitate grant management.”

The matrix does not list activities per se, but the activities can be derived from the list of deliverables. In fact, some of the deliverables read like activities (for example, “Establish a Board Coordinating Group with defined roles and responsibilities”). The narrative description of the CTP includes many activities, but they are not listed in any organised way.

Many of the activities listed in the CTP are already underway or have already been announced. Some activities are more specific than others. The following are examples of some of the more specific activities included in the CTP:

- Hire a Chief Risk Officer
- Design a new funding application process
- Introduce a new data quality assessment tool
- Develop standard operating procedures for the oversight of operational risk
- Revise the guidelines for sub-recipient audits
- Develop an automated process for disbursements
- Develop a code of conduct for principal recipients
- Develop a new definition of “country ownership”
- Revise in-country communications protocols
- Develop terms of reference for the new Board committees

The narrative description of the CTP describes the outcomes of many of the activities listed in the plan but, like the activities themselves, these are not listed in any organised way. An example of an outcome described in the report is the following:

“Transforming operational risk management will aim to reduce the risk of fraud and inefficiencies in Global Fund grants, and promote the strategic use of Global Fund resources to manage risks more effectively. It will also provide strong assurance that investments in the Global Fund are used for their intended purposes.”

The Global Fund has developed a governance structure to manage implementation of the CTP. The governance structure includes the following elements:

- a Transformation Steering Group, made up of the Executive Management Team of the Secretariat, the Inspector General, and the Board Chair or Vice-Chair, which will be responsible for “steering overall implementation of the CTP”;
- the Deputy Executive Director, supported by a Senior Transformation Advisor, who will coordinate overall implementation of the CTP; and
- a Program Management Office, led by the Senior Transformation Advisor, whose main roles will include monitoring and reporting, identifying and managing risks to the implementation of the CTP, and coordinating human resources and communications related to the CTP.

In addition, each project in the CTP will have a manager.

The Global Fund estimates that the cost of implementing the CTP will be \$20 million in non-staff expenses, and 75 full-time-equivalent staff (both Secretariat and OIG). The staff costs will be covered by de-prioritising activities that are not central to the CTP and re-deploying existing staff.

An internal communications plan has been developed. The Global Fund said that external communications related to the CTP will “fall within the broader Global Fund communications strategy.”

There is still work to be done on the CTP, such as the development of outcome indicators, baselines and targets. The Global Fund said that a review of the CTP will be conducted after the first full year of implementation.

Both the narrative description of the CTP, and the matrix referred to in this article, should be available shortly at www.theglobalfund.org/en/board/meetings/twentyfifth. Look for “GF/B25/4” and “GF/B25/4 Attachment 1.”

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