

# **Examining the Impact of Global Fund Reforms on Implementation:**

**Results of the Global Fund Implementers Survey**

**November 2011**

# Contents

Executive Summary.....	3
Introduction .....	5
Key Findings and Recommendations .....	7
Conclusion.....	16
Annex 1: Countries Examined .....	17

**Acknowledgements:**

This report was written and compiled by Heather Benjamin, with valuable contributions and comments provided by Cecilia Davila, Ivan Varentsov, Gennady Roschupkin, David Traynor, Shaun Mellors and Shannon Kowalski.

## Executive Summary

In December of 2010, the Global Fund's Office of the Inspector General released a report detailing the misuse of Global Fund resources in Cameroon, Djibouti, Haiti, Mali, Mauritania and Zambia and identifying areas of work that posed particularly "high risk" of fraud. Realizing the need to respond quickly to shortfalls in its risk management systems, the Global Fund secretariat began implementing new strategies to mitigate risk immediately. The imperative to reduce its exposure to risk only increased after significant negative media attention in early 2011. To bolster these efforts in May 2011, the Global Fund Board asked an independent review panel to take a hard look at its risk management systems, financial and fiduciary controls, and oversight mechanisms and make recommendations for further improvement. The High-Level Independent Review Panel on Fiduciary Controls and Oversight Mechanisms of the Global Fund to Fight AIDS, Tuberculosis and Malaria's report, *Turning the Page From Emergency to Sustainability*, was released September 12, 2011 and many of its recommendations are beginning to be implemented.

The Communities Living with HIV, Tuberculosis and Affected by Malaria Delegation and Open Society Foundation's Global Health Financing Initiative conducted this research to better understand the impacts of the Global Fund's enhanced approach to risk management on civil society implementers

### **Findings**

The civil society implementers of Global Fund grants hold a diverse range of opinions and differing experiences in implementation, but a few consistent and critical themes emerged. One theme that emerged was on the importance of the Global Fund to civil society implementers, many of whom noted that their countries might not be taking action to prevent HIV/AIDS, tuberculosis and malaria were it not for the Global Fund's support.

Civil society implementers voiced consistent support for the Global Fund's effort to reduce fraud and misuse of funds. However, implementers suggest that the Global Fund's risk mitigation efforts may have gone too far, resulting in increasing rigidity, delays in approvals for key activities and disbursements, shifts in staffing from program implementation to oversight and reporting, and stifled creativity and innovation. These challenges result not only in creating challenging working conditions for implementers, but have also negatively impacted the communities that they are serving. Moreover, civil society members expressed concern have not been given enough ownership over and flexibility within their own programs, which results in reduced accountability and reduced ability to be responsive to the changing needs of their communities. Civil society implementers also expressed concerns that they are often treated similarly to governmental implementers, when are marked differences in the realities of their differences in power, capacity, needs and assets that require differentiated approaches.

### **Recommendations**

Our findings suggest that as the Global Fund moves to implement the Consolidated Transformation Plan, special care must be taken to ensure that the Global Fund's commitment to funding programs that are innovative and that support capacity-building and civil society strengthening are not lost. These principles can be supported by engaging with civil society implementers to better understand their existing capacities and needs and ensuring that they have the technical support and financial resources necessary to both carry out their work and implement risk management strategies effectively; by acknowledging the political, cultural and economic context they are working within; and by implementing policies that allow them to remain flexible and responsive to the needs of their communities.

Specifically, the Global Fund should strive to:

- Ensure timely delivery of funds and increase communication about funding issues to ensure program consistency;
- Streamline the process for budget revision, reporting and budget modification in order to facilitate civil society implementers' ability to implement effective programming;
- Strengthen monitoring and evaluation systems by engaging civil society implementers in the process of determining indicators that reflect meaningful outcomes;
- Tailor risk management approaches to respond to the differences in the capacities, power and needs of civil society and government;
- Build the capacity of civil society implementers to manage and monitor their own programs;
- Value civil society implementers' work with marginalized and vulnerable communities and ensure that their work remains creative, flexible and effective; and
- Increase opportunities for civil society implementers to contribute, influence and lead in all areas of the Global Fund.

By increasing engagement with stakeholders and civil society members in decision-making and accountability, the Global Fund will be positioned to better manage risk and evaluate the quality of the interventions, while simultaneously strengthening civil society, and ensuring the protection of human rights.

## Introduction

### **Background**

In December of 2010, the Global Fund's Office of the Inspector General released a report detailing the misuse of Global Fund resources in Cameroon, Djibouti, Haiti, Mali, Mauritania and Zambia and identifying areas of work that posed particularly "high risk" of fraud. Realizing the need to respond quickly to shortfalls in its risk management systems, the Global Fund secretariat began implementing new strategies to mitigate risk immediately. The imperative to reduce its exposure to risk only increased after significant negative media attention in early 2011. To bolster these efforts in May 2011, the Global Fund Board asked an independent review panel to take a hard look at its risk management systems, financial and fiduciary controls, and oversight mechanisms and make recommendations for further improvement. The High-Level Independent Review Panel on Fiduciary Controls and Oversight Mechanisms of the Global Fund to Fight AIDS, Tuberculosis and Malaria's report, *Turning the Page From Emergency to Sustainability*, was released September 12, 2011 and many of its recommendations are beginning to be implemented.

Some of the changes that the Global Fund put in place starting in late 2010 have applied to all recipients, regardless of whether or not a recipient had been found to have instances of fraud or misuse of funds. For example, as training events and associated costs were identified as areas of high risk for fraud, the Global Fund implemented a two-month freeze on all training activities across portfolio until greater protections could be implemented. The new requirements include the development and submission of a yearly training program for approval by the Secretariat; greater oversight of the content of trainings and alignment with programmatic goals; verification of attendees' identities; spot checks of training activities; and increased requirements for proof of the event's scope and expenses. The communication with PRs about the changed requirements included a clause that states that PRs must repay funds if conditions are not met or cannot be proven to the satisfaction of the LFAs and the Secretariat. The communication also highlights that Round 11 applications will be under increased scrutiny by the Technical Review Panel with regards to training costs.

Other changes to the Fund's risk management approach have included:

- Revising the terms of reference of LFAs to further strengthen their focus on fraud risks and actual fraud;
- Completion of annual risk assessments of countries and principal recipients and the development of *Principal Recipient Priority Risk Management Plans*;
- Increased scrutiny of other high-risk activities, including assessing the capacities and controls of sub-recipients; spot checks at service delivery points; reviews of pharmaceutical procurement and tendering processes; and conducting forensic audits;
- Increased training for the Secretariat and LFAs in order to enable them to identify and respond to fraud risks and actual fraud; and
- Efforts to strengthen the oversight functions of Country Coordinating Mechanisms in order to equip them to better identify and respond to fraud risks and actual fraud.

### **Objectives of this Research**

The Communities Living with HIV, Tuberculosis and Affected by Malaria Delegation and Open Society Foundation's Global Health Financing Initiative conducted this research to better understand the impacts of the Global Fund's

enhanced approach to risk management on civil society implementers and to explore concerns voiced at the Portfolio and Implementation and Policy and Strategy Committee meetings that risk aversion may be hampering program implementation.

The objectives of this research included:

1. To better understand, document and analyze the impact of Secretariat efforts to minimize risk on civil society organizations; and
2. To propose recommendations on how to address risk, while simultaneously strengthening capacity and increasing accountability.

### **Methodology**

The assessment took place over a period of approximately six weeks. The process was brief to allow for the completed report to be shared back with the Global Fund at the November 2011 Board meeting. The respondents targeted for participation in the assessment were Principal Recipients (PRs) and Sub-Recipients (SRs) of Global Fund grants from each region of the world, with a special emphasis placed on civil society implementers. Opportunities to participate in the online survey were publicized through various listservs, as well as through targeted email outreach designed ensure regional representation in the findings. The assessment process consisted of the following steps:

- Desk review of relevant Global Fund documents, including reports of the Inspector General, communications from the Secretariat to implementers, and the High Level Independent Review Panel on Fiduciary Controls and Oversight Mechanisms of the Global Fund to Fight AIDS, Tuberculosis and Malaria's report *Turning the Page from Emergency to Sustainability*;
- A 49-question online survey in English, Spanish and Russian;
- Teleconferences with five (5) PRs and one (1) SR who participated in the online survey and were willing and available to participate in a follow-up teleconference;

### **Limitations**

While limited in its scope, the study clearly highlights a need for ongoing scrutiny of Global Fund reforms as it progresses implementation of the Consolidated Transformation Plan.

The assessment is limited in its representation of implementers of Global Fund grants, largely due to the short timeframe over which the study was conducted. While there is good regional representation in the online survey respondents, there were no African PRs available to participate in the follow up teleconferences. The assessment focused primarily on key issues and experiences of Global Fund grant implementers over the course of the last year and was not designed to address their longer-term issues and experiences.

## Key Findings and Recommendations

*“Too many financial requirements really impede the flexibility of NGOs. Sometimes we wonder why NGOs were chosen to implement the activities, why not some state institutions, because I think the main reason to choose NGOs is because they are flexible, very creative, and very close to the group. But when you put so many requirements, you actually make their work so rigid, and so close to the way the state institutions work that there is no sense to involve NGOs.”* -Implementer, Bulgaria

This report examines the perspectives and experiences of Global Fund implementers from a broad cross section of regions. The respondents represent 50 unique countries. 25% [28/133] of the respondents represented Principal Recipients, while 75% [82/133] represented Sub-Recipients and Sub-Sub-Recipients. The vast majority of respondents were from civil society. Forty-four percent (44%) of respondents represented national NGOs [59/133]; twenty percent (20%) [26/133] represented organizations representing people living with HIV/AIDs, Tuberculosis or Malaria and thirteen percent (13%) [17/133] were from organizations representing most affected populations. Thirteen percent [17/133] of respondents represented international NGOs and nine percent (9%) [12/133] represented CBOs. Only two respondents represented governmental ministries or departments.

Follow up teleconferences were conducted with five (5) Principal Recipients and one (1) Sub-Recipient, all of whom were civil society implementers and represented six (6) unique countries.

Our findings and the recommendations of survey respondents fall within seven key areas:

1. Funding and disbursements;
2. Financial management and reporting;
3. Monitoring and evaluation;
4. Program implementation;
5. Risk management;
6. Relationship management; and
7. Other challenges.

*“Accept that there is fraud. There will be fraud and risk, not just in this business, but in any business or corporation...But the more responsible you make people, the better they respond. If you take away all the responsibility from people and treat them like children, they will not respond, and they will behave like children. And I think when it comes to partnerships, that you have to have a vote of trust in the people you’re working with”*- Implementer, International

## 1. Funding and Disbursements

*“We had a delay of more than three months after the signature of the grant, and all other disbursement had delays. We have not receive[d] information [from] the GF to explain these delays. This situation affects our program a lot”. – Implementer, Senegal*

Among respondents, there were issues identified in delays to grant disbursements. Fifty-four percent (54%) [37/69] of respondents reported experiencing delays in grant disbursement of their Global Fund grants in the last year, some of up to three months. Some of the delays of funds to SRs were attributed to their PRs, while others were attributed to the Global Fund. Respondents reported that funding delays contributed to adding significant financial stress to already underfunded programs; one respondent noted the necessity of taking out a bank credit to sustain project activities for that period, and a few respondents reported having to condense their annual program activities into shortened periods of as little as six months as a result. The process around signing Round 10 grants was also highlighted as longer than usual, and requiring a level of detail that created organizational challenges during the process, including pulling personnel from other projects to work on the Global Fund grant.

Audits run by the Office of the Inspector General were reported as problematic for some implementers. Twenty-two respondents identified having been audited by the Office of the Inspector General. One organization identified challenges with grant suspension while investigations were undertaken. Five organizations mentioned specifically that they had been audited at least 12 months ago, and that they had not received a report of the audit to date.

### **Recommendations**

- The Global Fund must recognize the burden that gaps in funding places on PRs and SRs (especially civil society PRs and SRs who have little financial flexibility), while PRs must recognize the challenges that delays to their disbursements to SRs can create. For round 10 grants yet to be signed, disbursements should quickly follow grant signing in order to ensure that programs can be implemented as planned. Additional buffer funding should be provided to minimize the risk of disruptions due to delays in approving periodic program update and disbursement requests. Additional flexibilities should be given to fund portfolio managers to minimize disruptions in essential programs while problems in implementation are being addressed.
- The Office of the Inspector General should provide clear guidance to implementers about the audit process,, increase communication with implementers during the audit process and provide timely audit reports. These steps align with the Global Fund’s values of transparency of information, and would provide implementers with the information they need to move forward on their programming and minimize disruptions.

## 2. Financial Reporting

*“We feel Global Fund finance management is very, very rigid and takes no account for grassroots level issues and does not accommodate any unexpected crisis. For Example: A bus carrying 50 community people to an event in Goa under our project met with an accident. 15 people were injured and we had to immediately hire another bus as the event could not be cancelled. One team took care of injured people and other arranged for a bus to get the remaining participants from the accident spot to the event. We asked our PR that some additional expenses were incurred due to the accident which need to paid [and requested additional funds].*



*The answer was a flat NO!! Is this how strictly funds are controlled that it supersedes human lives?"*

–Implementer, India

Concerns about financial reporting requirements emerged as one of the most pressing issues facing implementers of Global Fund grants. 44% [31/71] of respondents considered the Global Fund's financial reporting requirements to be somewhat more difficult than other donors with whom they work, while another 25% [18/71] considered the financial reporting requirements to be much more difficult than other donors. A consistent theme that emerged from the respondents was concern that the Global Fund's financial reporting requirements are moving toward micromanagement, that the amount of time staff are spending on financial reporting requests is hindering implementation, and that their inability to modify budgets or reallocate funds to different programs prevents implementers from being responsive to the changing needs of the communities with which they work. Some respondents reported that they felt that if the Global Fund better understood the political contexts they are working within, they would be able to build more trust with PRs and to allow them more flexibility in modifying budgets. Increased two-way communication between the Global Fund and implementers to allow for feedback and input into proposed procedural changes was requested.

The majority of respondents, 56% [45/81], reported that they had already experienced changes to the ways in which they are being asked to report on finances to the Global Fund in the last year. Of those, 61% [25/41] reported that these changes made reporting on finances "somewhat harder" than it was previously, and 39% [16/41] reported they did not have adequate support to implement changes to their reporting requirements. When asked what sort of support respondents need in order to implement the new financial reporting requirements, nearly all respondents reported that they needed increased training and capacity building opportunities for their financial teams, as well as templates that made the reporting requirements clear and simpler to implement. Of the respondents that reported they had not experienced changes to the way they are being asked to report on finances to the Global Fund, 36% [13/36] reported they did not have adequate information and support to fulfil their existing financial reporting requirements

Multiple respondents identified a lack of consistency among reporting criteria asked of them by the LFA and FPM. Additional concerns about the LFAs' role were cited by many respondents, including concerns that LFAs do not have in-depth understanding about the programs that are being implemented. Concerns were voiced that LFAs often act as auditors in their approach to financial management, that LFAs' requests and time spent on-site doing financial management often impede productivity, and LFAs do not currently partner with implementers to improve the quality of reporting and to prevent mistakes, but rather report to the Global Fund without engaging implementers in the process.

### ***Recommendations***

- Ensure consistency in the financial reporting criteria of the FPMs, LFAs and OIG. Provide additional training on financial management requirements and develop standard unified templates for implementers, including SRs.
- Engage the PRs as partners in the process of designing financial reporting systems; provide clearer procedures on mechanisms for feedback on financial reporting.
- Streamline the process for approving changes to budgets and provide greater flexibility for PRs to make changes up to a certain threshold so that implementers can remain adaptive and responsive to community needs.

- Provide LFAs with additional training on the social context PRs and SRs are working within. Modify the terms of reference of LFAs to ensure that they work as partners with implementers in financial management.

### 3. Monitoring and Evaluation

*“We need to keep our M&E and other activities **people** and not indicator-targeted, so it could be useful to involve the implementers from grassroots level-- more meaningful participation during elaboration of guidelines and M&E framework.” -Implementer, Moldova*

Feedback about monitoring and evaluation were similar in theme to those of financial reporting; while a few PRs reported that they felt new reporting requirements created opportunity for them to strengthen their monitoring and evaluation systems, the majority of respondents who shared feedback stated that they were concerned about the level of micromanagement the monitoring and evaluation requirements promote. Forty-two percent (42%) [25/59] considered the Global Fund’s monitoring and evaluation requirements to be somewhat more difficult than other donors with whom they work, while another twenty-two percent (22%) [13/59] considered the monitoring and evaluation requirements to be much more difficult than other donors.

Changes to monitoring and evaluation requirements were also cause for concern to many; 62% [41/ 66] of respondents experienced changes to their monitoring and evaluation reporting requirements, but only 52% [33/63] of those reported having adequate information and support to implement the new requirements. Forty-three (43%) [26/61] of respondents think that changes in the Global Fund requirements made their monitoring and evaluation requirements somewhat more complicated, and another twelve percent (12%) [7/61] much more complicated. Of the 38% [25/66] of respondents that did not experience changes to their reporting requirements, only 52% [13/25] reported having adequate information to fulfil their current monitoring and evaluation requirements.

Additional concerns highlighted in by implementers were focused on concern that the monitoring and evaluation requirements are heavily weighted toward measuring inputs and outputs, but do not measure larger outcomes, and do not allow for the inclusion qualitative information.

#### **Recommendations**

- Provide training to PRs and SRs on data collection and database management, as well as ensure adequate funding in budgets, or other funding opportunities, to ensure on-going technical support.
- Provide templates and technology where needed to allow lower capacity implementers to fulfil requirements effectively.
- Ensure sufficient funding in budgets for monitoring and evaluation, including for staff at the PR and SR levels.
- Develop indicators focused on outcomes and measure the quality of interventions, and provide support for implementers to capture the impact of their programming. Engage civil society implementers in the process of developing these indicators.

#### 4. Program Activities

*“For example ...when we make a training group with young Roma boys in the Roma community-- people who are almost illiterate-- and we want to provide them a cup of coffee and a sandwich to make it more attractive and informal, we have to ask them to sign that they have drunk coffee or eaten a sandwich during the session, and they have to sign protocols for this. I think this is absurd. I have never met such requirements in any other project with any other donor. I think at least these very minor expenses that are normal in work with people should be considered granted. Things of this type are really impeding the work very much.” –Implementer, Bulgaria*

The most common concern among respondents with regard to Global Fund program activities was the Global Fund’s introduction of training plans. 43% [26/60] of respondents reported that in the last year they had experienced changes to the number and kind and of Global Fund supported trainings they can conduct. The approval process for training plans, reduced budgets for training overall and the difficulty in modifying annual training plans after approval were both commonly cited as an issue that caused delays and impediments to program implementation. A few respondents mentioned that due to the delays, some programs had to be cancelled, and that momentum, interest and even money had been lost as a result. Some respondents mentioned challenges in fulfilling their annual training plans when circumstances are not always in their control, as when unforeseen delays or accidents occur, or in some cases, because of the challenges of engaging marginalized groups.

*“In the grant all the procurement is done by the Ministry of Health and we as civil society have to distribute. We have the goals, we are responsible for the numbers, the indicators, but we don’t procure the condoms and the tests. And last year, in 2011, the Ministry of Health didn’t buy anything because they changed all the systems etc., so for us, we are very worried about that, we are working with other condoms, asking for donations, asking other organizations for help, looking for money etc., but it is not enough....If you have to respond about indicators and you have to be able to work, and you don’t have the condoms and the tests, it’s a really difficult situation.” – Implementer, Ecuador*

Issues with procurement, supply chain management were also identified as problematic for some implementers. These changes were related, for example, to the implementation of the quality assurance plan and issues related to procurement and supply management of medicines, laboratory supplies and others. The majority of respondents, 54% [32/59], reported experiencing shortages in essential commodities and/or equipment provided with Global Fund support. Of those respondents, some mentioned that the challenges stemmed from issues with the governmental PRs that had been designated to carry out all procurement and supply chain management. As civil society implementers, they are asked to meet certain indicators regarding distribution of supplies and consumables (ex: condoms, HIV/AIDS tests, syringes, ARVs, CD4, treatment for opportunistic diseases and STIs), but are often not able to meet that mandate due to challenges in working with governmental PRs, and in some cases have been forced to seek donations, trade supplies with other organizations, and offer clients inferior goods, and are still held accountable by the Global Fund for failing to meet goals.

#### **Recommendations**

- Allow for flexibility in modification of annual training plans to allow implementers to be more responsive to changing needs and circumstances. Streamline the process for budget revision for training plans to prevent delays in program activities.
- Decrease emphasis on quantity of people trained and increase emphasis on quality of trainings.

- Acknowledge the additional challenges presented to implementers working in challenging political contexts or working with vulnerable and marginalized groups and ensure flexibilities to be able to respond to changing needs.
- Ensure that PRs responsible for procurement are equipped to ensure consistent and reliable supplies to co-PRs and SRs.
- Acknowledge the challenges facing organizations that are distributing but not procuring supplies and consumables, and ensure that the parties responsible for procurement are the ones being held accountable. Consider allowing civil society implementers to be responsible for procurement in countries where there have been challenges with governmental PRs.

## 5. Risk Management

*“Risk management is a new concept to partners in recipient countries. Most are not really aware of what it means. What I have seen so far, is the LFA doing risk assessments on behalf of the Secretariat. This does not help or build the ability of the PR/SR to understand or practice risk management.” – Implementer, International*

There was the widest variety in respondent’s qualitative responses to how the Global Fund should manage risk of fraud and financial mismanagement among implementers. A few promoted a zero-tolerance policy when fraud occurs and the discontinuation of funds, while others promoted ensuring that funds to the country continue during the investigation process, and that those sanctioned are exclusively the ones who have committed fraud, as in the case when fraud is identified with an SR but not their PR, or when fraud may have been committed by individuals within an organization. In terms of corrective action, while a few respondents advocated for harsh penalties to those found guilty of fraud ranging from suspension, civil and criminal charges, public notification of offenders, many others cautioned that the burden of proof must be high, and that implementers must have an opportunity to share all evidence before decisions are made. One implementer issued a special caution that civil society implementers must be treated differently than governmental implementers, especially in instances of fraud:

*“And what happens when fraud occurs? A government will not go broke. And a civil society organization will. They will just breakdown if there’s fraud.... If you have all the systems in place and fraud occurs, civil society cannot pay that. Government can pay that, but civil society cannot pay that.”- Implementer, International*

Some respondents also reported that the Global Fund should institute universal standards for implementers when it comes to risk management, while others advocated for a more nuanced approach that addresses the complexities and differing contexts within countries. In order to strengthen accountability among implementers, some respondents advocated for greater clarity on expectations and requirements from the Global Fund upfront in order to reduce the risk of errors or fraud. Others advocated that strengthening civil society by providing increased opportunities for civil society to take on leadership roles within grant management could increase their accountability.

*“The system in place right now indicate an attempt to obtain a completely risk free environment, and in this regard, working with CBOs and in the political environments that we work in always carries risk. Due diligence is required, but how much? And to what extent? Where extreme due diligence has a negative impact on performance.” -Implementer, India*

Finally, a few survey respondents advocated that the Global Fund look beyond financial risk in defining risk management, and include acknowledgment of risks being taken on by implementers, such as political, cultural, and economic risks, as well as the specific risks of working with extremely vulnerable and marginalized communities.

### **Recommendations**

- Include measures beyond financial risk in new risk management framework. Implement a risk management framework that is tailored to address the differences in cultural and political contexts in and within different countries.
- Differentiate between civil society and government in determining corrective actions and sanctions, and in overall risk management framework. Tailor the risk management framework to address the different capacities and needs of civil society implementers.
- In addressing instances of fraud, take caution not to sanction implementers or countries that have not acted wrongly. Encourage fraud detection and reporting through whistleblowing.
- Consider establishing an independent oversight committee to determine the validity of fraud allegations.

## **6. Relationship Management**

*“Know your recipients personally, not just by papers. Teach them their rights and obligations as grant recipients”.* – Implementer, Kyrgyzstan

Over the past year, quite a few respondents reported that they had improved relationships with FPMs, which they attributed to increased communication, a deeper understanding of in-country problems, and faster responsiveness to challenges. Several respondents reported improved relationships with LFAs, which was the result of LFAs participating in stakeholder meetings and acting more as partners. However, the majority of the feedback about relationships with LFAs was negative. The most common problems that emerged with regards to relationships were between implementers and the LFAs, which have been highlighted in previous sections of this report. A few organizations mentioned that staff feel that the way they are being approached by the LFAs could be greatly improved; a few mentioned being treated as though they have committed fraud in the absence of any allegations.

Respondents were asked who they reach out to when they are experiencing challenges related to the implementation of Global Fund Grants. The highest proportion, 28% [33/117], reached out to PRs, followed by 17% [20/117] who reached out to FPMs. 15% [17/117] of respondents reached out to their CCM, and another 15% [17/117] of respondents reached out to technical partners. Only 9% [11/117] reported reaching out to LFAs, which further suggests that is room for improvement in the relationships between implementers and LFAs.

There were also some challenges highlighted between PRs and SRs. One PR mentioned that the SRs they worked with wrongly attributed the increased reporting requirements to the PR and not the Global Fund, which had created challenges in working together. A few SRs and civil society PRs cited challenges in transparency and accountability in their relationships with non-civil society PRs, and in transmitting feedback to the Global Fund. Several SRs mentioned a desire for more communication and feedback between SRs and the Global Fund Secretariat, and

mechanisms for more collaboration and communication across countries and regions to exchange lessons learned and best practices.

### **Recommendations**

- Redefine the roles and responsibilities of LFAs to ensure they are acting as partners to implementers.
- Continue to build relationship between FPMs and implementers and provide mechanisms for two-way communication. Create increased opportunities for relationship building, feedback and communication between SRs and FPMs.
- Continue to provide opportunities for implementers to educate FPMs and LFAs about the cultural and political contexts they are working within.
- Provide virtual platforms for collaboration and communication among civil society implementers.

## **7. Other Challenges**

In addition to the categories targeted for feedback in this report, a few additional challenges were raised in areas outside the scope of our research. Those challenges will be highlighted here in brief.

### **a. CCMs**

As highlighted in the report from the HLP, there is a common concern about the state of CCMs among implementers. Concerns about CCMs were raised by multiple respondents from different regions. Common concerns were around the ability for civil society to meaningfully participate in CCMs where governmental ministries dominate, and over the overall makeup of the CCMs. Additional challenges included issues around transparency of CCM election process, and concerns that CCMs were not fulfilling their mandates, and concerns that the CCM was not serving as a venue for meaningful dialogue about issues facing implementers of Global Fund grants.

### **Recommendations**

- Provide more oversight over CCM activities and objectives and increase enforcement of existing CCM requirements to ensure transparency in CCM election processes.
- Ensure that civil society is meaningfully represented and able to fully participate alongside government. Work to ensure that that stakeholders elected to CCM have in depth knowledge or are trained in issues facing Global Fund implementers.
- Redefine the mandate for CCMs to strengthen their oversight of implementers programming and to provide support to implementers in strengthening accountability and preventing fraud.

### **b. Funding for adequate staffing**

*“Limitation in proportion of funding allocated for personnel limits ability of implementers in hiring monitoring and evaluation staff. We were told that the management cost including personnel couldn’t be more than 20% of our budget so had to be really strict in terms of number*

*of staff. The salary level in the proposal has made it very hard to hire qualified staff and it's a huge challenge.” –Implementer, Vietnam*

A few respondents mentioned specific difficulties in providing financial support to personnel. Limits set on personnel costs do not allow some implementers to hire qualified staff, which leads to understaffing and requires staff implementing programs to spend increasing amounts of time on financial management and monitoring and evaluation.

#### ***Recommendations***

- Ensure that limits to budgets for staffing do not hinder implementation by allowing that budgets reflect realistic personnel costs.

#### **c. Governmental support**

A common thread among respondents was gratitude to the Global Fund for providing funding and allowing countries to respond to and prevent HIV/AIDS, Malaria and Tuberculosis, as well as acknowledgement that they could not have made this progress without the support of the Global Fund. Concerns were raised around the lack of sustainable government resources to supplement or replace Global Fund grants should funding be reduced or lost, as well as concerns that some governments, without pressure from the Global Fund, simply will not channel the needed funds into disease prevention.

#### ***Recommendations***

- Before reducing funds to countries deemed high-capacity, ensure government commitment to sustaining funding.
- Where possible, provide assistance to implementers to seek out alternate forms of funding, whether through innovative funding mechanisms or alternate donors.

## Conclusion

*“The counter-bureaucracy ignores a central principle of development theory—that those development programs that are most precisely and easily measured are the least transformational, and those programs that are the most transformational are the least measurable”*

-Andrew Natsios, *The Clash of the Counter-bureaucracy and Development*, Center for Global Development, 2010

While the Global Fund to Fight AIDS, Tuberculosis and Malaria is facing immense challenges, it also has a critical opportunity to ensure that the measures introduced to fight fraud and reduce risk do not result in increased bureaucracy and rigidity, but serve to strengthen civil society through increased opportunities for participation and ownership of programs. There is still little evidence that devoting additional resources to anti-corruption measures actually reduces corruption, but ample anecdotal evidence in this report that these measures do hinder implementation and stifle innovation. The evidence in this report should serve as a caution to the Global Fund that in their quest to better manage risk, the quality of the work being done on the ground should not be compromised, and human rights concerns must not be forgotten.

The Global Fund has an opportunity to not only change the way it manages risk, but to ensure that it remains as relevant, innovative and impactful as ever. The Global Fund should seek to find the balance between accountability and the flexibility that fosters and sustains meaningful development work. In finding that ideal balance, the Global Fund should rely on the wisdom of those closest to the work, the civil society implementers, to co-create procedures and processes that will best meet the needs of their unique communities. By engaging civil society implementers in the process of designing the requirements for financial management, monitoring and evaluation, program implementation and risk management, the Global Fund will strengthen civil society’s capacity to carry their work forward for years to come.



## Annex 1: Countries Examined

Country	No. of Respondents
Argentina	3
Armenia	2
Azerbaijan	2
Bolivia	2
Bulgaria	1
Burkina	1
Cambodia	3
Columbia	1
Cote d'Ivoire	2
Cuba	1
Dominican Republic	1
Ecuador	4
El Salvador	1
Georgia	1
Guatemala	3
Haiti	1
Honduras	1
India	5
Indonesia	1
Kazakhstan	1
Kenya	4
Kyrgyz Republic	5
Malawi	1
Malaysia	2
Mexico	1
Moldova	3
Mongolia	1
Mozambique	1
Myanmar/ Burma	3
Nicaragua	1
Nigeria	1
Pakistan	1
Paraguay	1
Peru	2
Russia	5
Rwanda	1
Senegal	1
Suriname	2
Tajikistan	1

Country	No. of Respondents
Tanzania	1
Thailand	1
Trinidad & Tobago	1
Ukraine	6
Uruguay	1
Uzbekistan	3
Vietnam	1
Zimbabwe	3
Other: International	8

