

GLOBAL FUND OBSERVER (GFO), an independent newsletter about the Global Fund provided by Aidspan to over 8,000 subscribers in 170 countries.

Issue 157: 2 September 2011. (For formatted web, Word and PDF versions of this and other issues, see www.aidspan.org/gfo.)

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CONTENTS

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[1. NEWS: Global Fund to Resume Disbursements for Grants to China](#)

The Global Fund has lifted the temporary freeze on disbursements for its grants to China. However, not all of the concerns raised by the Global Fund when it imposed the freeze on China's grants have been resolved. Discussions are continuing.

[2. NEWS: Principal Recipient for Papua New Guinea Grants Resigns](#)

A government PR in Papua New Guinea has resigned "for the sake of the grants." Replacement PRs have been nominated by the CCM.

[3. REVIEW: Aidspan Reviews an Academic Study on Performance of Global Fund TB Grants](#)

A new publication from Aidspan reviews a published academic study on the factors influencing the performance of Global Fund-supported TB grants.

[4. LETTER TO THE EDITOR: Global Fund's CCM Manager Expresses Disappointment with GFO Commentaries on CCMs](#)

The Global Fund's CCM Manager has written to the GFO Editor to express disappointment with two GFO commentaries on CCMs.

[5. NEWS: Treatment Action Campaign Recovers Global Fund Money Stolen by Employee](#)

South Africa's Treatment Action Campaign has recovered about \$40,000 in Global Fund money that one of its employees stole. TAC has terminated the employee, who faces a possible jail sentence.

[6. ANNOUNCEMENT: New Resources Regarding TB](#)

Three new resources are available for people who are developing Round 11 TB proposals or implementing TB grants.

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1. NEWS: Global Fund To Resume Disbursements for Grants to China

Discussions continue on concerns raised by the Fund

The Global Fund has lifted the temporary freeze on disbursements for its grants to China. However, not all of the concerns raised by the Global Fund when it imposed the freeze on China's HIV grant in November 2010, and other grants in May 2011, have been resolved. Discussions are continuing.

The disbursements were frozen because of suspected misuse of the money and the government's reluctance to involve community groups in implementation of the grants. (See [GFO article](#).)

The Associated Press (AP) said that the freeze was seen “as a rebuke to the authoritarian government over its customary suspicion of independent groups.” The AP quoted the Global Fund as saying that it is lifting the freeze on the grants to ensure that AIDS work in the country continues while the Fund works with government officials, United Nations agencies and private groups to address the Fund’s concerns.

“During these discussions, the parties agreed to resume funding flows to ensure that the Chinese AIDS program would not be impeded by the ongoing efforts to strengthen fiduciary controls and to ensure sufficient civil society engagement in The Global Fund-supported programs,” Global Fund spokesman Jon Lidén said in an emailed statement in response to an AP query.

Resolving the problem could mean China will continue to receive payments of \$300 million in funding over the next several years for HIV, TB and malaria programmes – unless the ongoing talks result in a reduction of the funding. The Global Fund told the AP that China already funds the majority of its efforts to fight the three diseases.

According to the Global Fund website, since 2003 China has received \$553 million from the Global Fund for programmes aimed at fighting the spread of the three diseases.

The talks between the Global Fund and Chinese authorities come amid what the AP referred to as a larger debate among international aid donors and groups about whether China should continue to receive foreign aid, considering its relative prosperity resulting from decades of high economic growth. “Critics point to the government's ability to fund a manned space program and extravaganzas like the 2008 Beijing Olympics, while proponents say China still has hundreds of millions of poor and needs international know-how,” the AP said.

The Global Fund did not provide details about what the Chinese government has done to address the concerns of the Fund. However, according to the AP, in the months since the freeze, China’s Health Ministry has issued statements acknowledging the contributions of China’s independent health groups; and Health Minister Chen Zhu attended a meeting with community AIDS groups in late June in the southwestern city of Kunming and pledged that his ministry would try to help facilitate the work of private groups.

Citing a public tender notice issued in late July 2011 by the Chinese Center for Disease Control and Prevention (CDC), the Global Fund's principal recipient in China, the AP said that the Chinese government has also agreed to allocate 25% of the Global Fund budget to community organisations, and to select a separate entity to manage all funding that is allocated to civil society groups. (GFO has ascertained that the 25% figure refers only to the HIV grant.)

Meanwhile, the *China Daily*, an English-language newspaper, quoted a senior official in the Ministry of Health as saying that the search for a non-profit group to help manage the funding could prove difficult because few seem qualified to handle the task. “Currently, we can't find any Chinese nongovernmental organisation working with HIV and AIDS intervention that is able to handle the job,” said Hao Yang, deputy director of the CDC.

According to the *China Daily*, applicants must have a minimum of five years experience in the field. The newspaper cited government authorities as saying that the average lifespan of community-based groups is just one year. The newspaper added that about 400 non-profit grassroots groups were working on HIV at the end of 2009, the most recent year for which figures are available, but that most were not registered with authorities, which hampers their

shared with the Secretariat in September, after which Secretariat experts in finance, procurement and monitoring and evaluation will review the LFA's findings.

Assuming that Oil Search is approved as PR for both the malaria and HIV grants, it will assume its responsibilities as soon agreements can be signed, which the Secretariat believes will happen by the end of 2011. Until this occurs, NDOH legally remains PR of the malaria grant. The Secretariat said that since NDOH's notice of resignation, one disbursement has been made to NDOH for anti-malaria drugs through the voluntary procurement pool. If Oil Search is confirmed as PR, there will be a transitional period in which NDOH will be working together with Oil Search on the hand-over of responsibilities, under the coordination and oversight of the CCM.

NDOH will also continue as PR for the TB grant, until World Vision International is confirmed as the new PR for that grant.

The Secretariat said that NDOH will continue to play an important role in Global Fund-supported programs as a sub-recipient.

In its article, IRIN said that in addition to producing oil and gas in PNG, Oil Search has run several successful anti-malarial programmes since the 1990s and says it has expertise that can be tapped for its new role.

Information for this article was based on ["Papua New Guinea" Government Steps Down to Step Up Malaria Fight.](#) IRIN, 19 July 2011; and on communications with the Global Fund Secretariat.

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3. REVIEW: Aidspan Reviews an Academic Study on Performance of Global Fund TB Grants

A new publication from Aidspan reviews a published academic study on the factors influencing the performance of Global Fund-supported tuberculosis (TB) grants. The review was written for Aidspan by Dr David McCoy.

The aim of the reviewed study, which was conducted by Itamar Katz and several other employees of the Global Fund, was to examine the association between various grant and country-related characteristics and the "performance" of TB grants (where performance was measured in terms of the percentage attainment of the targets that were set for a list of nine major TB output indicators).

The study found that grants were reaching, on average, 89% of the targets that had been set for the main TB output indicators. However, the performance scores changed over time, averaging about 60% in the first 15 months; increasing to about 95% in the period leading up the Phase 2 evaluation; and then stabilising until near the end of the grant, when performance results began to exceed targets.

Using regression analyses, the study identified a number of country and grant-related characteristics that were significantly associated with the performance score of the studied grants.

Such a study is potentially useful in helping the Global Fund identify the factors that influence grant performance. However, in his review, McCoy argues that the study did not evaluate the *performance* of TB programmes. Rather, it evaluated *target-achievement*, which does not necessarily indicate good performance "because the targets that were set

2. CCM Performance Framework. What is labelled a piecemeal approach to CCM monitoring is actually a conscious effort to lay the foundations for the “holistic” approach Mr. Garmaise calls for: CCMs can’t adequately move forward without financial resources to conduct their core business and the GF Secretariat is limited to improve CCM capacities if there isn’t a rational basis upon which to direct support (i.e., the need for a performance framework). CCMs would be hard pressed to conduct a “gap analysis” without first establishing the capacity to collect and monitor relevant data. In direct consultation with CCMs, the Secretariat is now designing the very performance framework that will be used to globally monitor their progress. The standards that apparently “have no teeth” will, in fact, form the basis of information upon which CCMs will be appraised. NGO and communities delegations would be wise to follow these new standards closely and, based upon data collected and posted by the Secretariat, monitor CCM compliance closely. We continue to strongly encourage and welcome all CCMs to use self-assessment tools that are available online.

3. CCM Funding. In brief, there has been a gradual increase in demand-based funding since the Board lifted the ceiling and introduced a more flexible, performance-based model in 2010. Although the sharp uptake in demand projected for 2010 did not materialize, the actual figure disbursed was \$4.6 million out of \$6.9 million budgeted – not \$1.5 million as quoted. Since July 2011 we have already committed \$4 million at mid-year from the projected \$12.4 million – in other words, we’re near our target. We believe the slower-than-anticipated uptake reflects (1) CCMs taking time to familiarize themselves with the new policy, and (2) low capacity to do the requisite work planning. We believe the positive uptake in demand for 2011 is a result of the GF Secretariat having conducted, since mid-2010, seven regional CCM meetings and six smaller trainings with CCM Secretariats to teach CCMs how to access performance-based funding. This year alone, 29 CCMs have submitted clear governance-focused work plans. Fourteen did so last year. In total, we expect to be funding 100 out of 130 CCMs in 2011 – half of whom are switching to performance-based funding. This is progress. Few, if any, other voluntary, board-like coordinating mechanisms can claim performance-based governance.

To conclude, I read the *GFO* regularly because it is important that we listen to those who challenge us to do better. The CCM is often the object of complaint because of its inherently polemic and dialectic nature. It’s important to get the story right and I hope, in the future, that the *GFO* will shed better light on CCMs’ objective strengths and weaknesses.

David Winters (david.winters@theglobalfund.org) is the Global Fund's CCM Manager.

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David Garmaise responds as follows:

I am quite happy to see these issues being debated, so I welcome the letter in which David Winters responds to two GFO commentaries that I wrote. One of the commentaries was about the process to revise the CCM guidelines and about the final text of the guidelines. The other was about improving the performance of CCMs. Let me deal with each one in turn.

CCM guidelines

I agree with David Winters that the new CCM Guidelines are an improvement over the old ones. In my commentary, I did not try to compare the two. Rather, I wrote about the changes that were made to the wording of the guidelines between the version that was submitted to the Global Fund Board in December 2010 (and not adopted) and the version that was ultimately adopted by the Board in May 2011. It was in this context that I wrote about the guidelines having been “watered down.” I said that a specific clause in the draft guidelines had been “guttled.”

minimum requirements with respect to what should be included in the proposal. A French-language version is in the works.

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END OF NEWSLETTER
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This is an issue of the *GLOBAL FUND OBSERVER (GFO)* Newsletter.

We welcome suggestions for topics we could cover in GFO. If you have a suggestion, please send it to Bernard Rivers, the Editor of GFO (see contact information below).

Author: All articles in this issue were written by David Garmaise (david.garmaise@aidspan.org), Aidspace's Senior Analyst, except Article 5, which was written by Bernard Rivers, and the Letter to the Editor.

GFO is an independent source of news, analysis and commentary about the Global Fund to Fight AIDS, TB and Malaria (www.theglobalfund.org). *GFO* is emailed to over 8,000 subscribers in 170 countries at least twelve times per year.

GFO is a free service of Aidspace (www.aidspan.org), a Kenya-based NGO that serves as an independent watchdog of the Global Fund, and that provides services that can benefit all countries wishing to obtain and make effective use of Global Fund financing. Aidspace finances its work primarily through grants from foundations.

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People interested in writing articles for *GFO* are invited to email the editor, above.

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