

**Investing for Impact and Turning the Page:
The Opportunities and Challenges of a reformed Global Fund**

OUTCOME DOCUMENT

**Global Fund Implementers Meeting,
Nairobi, November 3-4, 2011**

Background

UNAIDS, WHO and the Stop TB Partnership convened a two day consultation of the Global Fund Implementer Bloc members, their alternates, other members of the delegation and other strategic partners in Nairobi, Kenya, November 3-4, 2011. This consultation was called to create a platform for Implementers to discuss the changes taking place within the Global Fund, to help shape this transformation and contribute to increased ownership and effective implementation of the reforms.

The objectives of this meeting were to build on previous consultations and:

- Explore and review the detail of the Consolidated Transformative Plan (CTP) and the Global Fund Strategy 2012-2016;
- Consider the implications of how the proposals articulated in the CTP can further strengthen the Global Fund, contribute to its efficiency, enhance country ownership, and establish effective systems for mutual accountability;
- Contribute to the development of an informed Implementer voice in processes as they move forward, ensuring that Implementers can actively participate and contribute to the discussions around:
 - Defining ownership,
 - Simplifying the Global Fund's architecture,
 - Addressing prioritisation, and
 - Improving accountability and effectiveness;
- Articulate what the countries expect from the Technical Partners in the implementation of these reforms.

In the past ten years, the Global Fund has evolved and grown, yet in recent months the financial crisis has placed additional pressure on both implementing countries and donors to demonstrate greater efficiency, effectiveness and the impact of interventions. It has become necessary to strengthen oversight and accountability mechanisms in response to this and other developments.

The Global Fund Board has initiated a number of actions and processes that will be discussed at the 25th Board meeting in Accra, 21-22 November, 2011 including:

- The development of a new Strategy, "Investing for Impact" (2012-2016);
- A comprehensive Reform agenda;
- A High Level Independent Review Panel (HLP) on Fiduciary Controls and Oversight Mechanisms, whose report "Turning the Page from Emergency to Sustainability" (considered initially at an emergency Board meeting on 26 September, 2011);
- A Consolidated Transformation Plan (CTP) drawing together actions arising from a range of processes, notably the HLP.

The meeting for Global Fund Implementers held in Nairobi November 3-4 was a follow up to the Dakar Global Fund implementers meeting held on 28-30th April, and was organised in preparation for the 25th Board meeting in Accra Nov 21-22, 2011.

Key overarching principles:

The Global Fund was conceived as a partnership between governments, civil society and business, from donor and recipient countries, to finance demand driven proposals. The key mandate of the Global Fund is to save lives.

Implementers are proud, and equal, partners in the Global Fund, and want to see all efforts focused on accelerating access to resources, in order to accelerate progress to saving lives.

Implementers at this meeting congratulate the Global Fund Board and secretariat on the progress in taking forward a **comprehensive reform agenda to transform the operations** of the Global Fund to continue to finance demand driven, technically sound national responses to HIV, Malaria and TB.

Implementers affirm and reiterate the vision of a **demand driven, evidence** informed business model based on **respect for human rights**.

Investing for Impact:

Implementers **welcome the proposed new Global Fund Strategy (2012-2016) "Investing for Impact"** and look forward to supporting its implementation:

Implementers **appreciate the focus on strategic investments**. Implementers are concerned, however, that they must be part of the decision making process to take this forward; implementers look forward to being a part of **defining the criteria** as to how the strategic investment framework will be used, with who, by who and where will these decisions be made.

Implementers **welcome the commitment to evolving the Funding Model**, and emphasize the importance of **safeguarding country ownership** within the context of the transformation underway; Implementers appreciate the two-stage process, and anticipate that this should result in **improved quality proposals**.

Implementers are committed to supporting the **success of grant implementation**, and welcome the new emphasis on risk, and the **need to strengthen operational risk management** at Global Fund Secretariat and country level. The Implementers recommend the establishment of an Implementers' Advisory Group that works with Secretariat in partnership to inform and support the work done by Secretariat and the OIG and ensure co-ownership.

Implementers affirm and reiterate the vision of a **demand driven, evidence** informed business model for the Global Fund, which is based on the principle of **respect for human rights, their protection and promotion**.

Implementers are committed to **sustaining the gains** made by the Global Fund, and securing the future though playing their part in **increasing efforts to mobilize resources** for the Global Fund.

Implementers welcome the recommendations in the **Consolidated Transformation Plan (CTP)**:

Transforming Resource Allocation:

Implementers emphasize the importance of **safeguarding country ownership** within the context of the transformation underway, and highlighted the following critical issues and further recommendations to the Board in relation to the CTP:

- **Country ownership is for national responses** – and should not be limited to Global Fund grants; this must be in the context of the broader national picture and countries' capacities to exercise this ownership should be supported;
- Implementers are **deeply concerned by proposals** in the CTP that recommend attribution of Global Fund investments, and in so doing appear to favour a shift towards more **vertical and project based approaches**; this trend was unacceptable to Implementers attending this meeting;
- Implementers note with concern the possibility of losing sight of an **integrated approach to health systems**;
- Implementers strongly request that the **National Strategy Application (NSA) processes continue** within the new Global Fund architecture;
- Implementers stress adherence to the principles of the Paris and Accra Declarations on **Aid Effectiveness**, and that these commitments must be protected and safeguarded.

Implementers **welcome the focus on strategic investments** – however implementers are concerned that they must be part of the decision making process to take this forward; implementers look forward to being a part of **defining the criteria** as to how the strategic investment framework will be used, with who, by who and where will these decisions be made.

The TRP must create clear rules in advance so that the **criteria are transparent and disclosed**.

Implementers also emphasised that **re-programming** should not take over activities from government or other donors, but rather strengthen existing systems and programmes.

Implementers emphasize that there should be **flexibility to allow for new science to emerge** before a new national strategy, so that countries can seek support for new developments before national strategies have been crafted to reflect the need for that new science.

Transforming Risk Management:

Implementers **welcome** the emphasis on risk, and the **need to strengthen operational risk management** at Global Fund Secretariat and country level.

Implementers recommend the **establishment of an Implementers Advisory Group** that works with Secretariat in partnership to inform and support the work done by Secretariat and the OIG and ensure co-ownership.

Part of this process is the **identification and funding of capacities at country** level required to develop and implement risk management strategies.

Implementers urge that the Global Fund support the **establishment of mechanisms for risk management at country level**.

Implementers urge that Global Fund Risk categories should **not be used to stigmatize countries, nor as the basis for exclusion, denial or limitation of funds**. Criteria for risk segmentation of the Global Fund portfolio must be developed with Implementers, through an open and transparent process.

Implementers request that the future work of the OIG should become more tailored towards **supporting country participation** in developing and implementing an Operational Risk Management Framework.

Implementers propose that the **CCM oversight plan** should be used to support **risk mitigation**.

As part of risk management, mechanisms and support need to be in place to **strengthen PR capacities in providing oversight of SRs**.

Implementers agree with the CTP proposals to revise the role of Local Fund Agents (LFAs) to act more as a partner at national level, rather than policing implementers.

Implementers request to participate in follow up work with the Secretariat to explore the detail of how **LFAs can become partners**, not only with the Secretariat but also at country level.

Transforming Grant Management:

Implementers request that proposal development should have **clear timelines**, with **several windows** to apply.

Implementers propose that **pre-discussions should be with the Technical Review Panel (TRP)** (not the Secretariat), and that TRP recommendations need to be more detailed so that Implementers can act upon them.

Implementers ask that the TRP should furthermore respect **national priorities** and **existing governance structures and mechanisms**.

Implementers appreciate the proposed **two-stage** process, and expect that this should result in **improved quality proposals** which lead to greatly increased approval rates annually, with a particular emphasis on regions with historically low approval rates.

Implementers propose that proposals should be directly **linked to their own national disease strategies**.

Implementers request that **LFAs and Fund Portfolio Managers (FPMs)** should have the necessary knowledge and experience **tailored to the needs** of specific countries.

Transforming Secretariat Organization, Management and Culture:

Implementers agree with the need for **clearer definitions of responsibility and roles** within the Global Fund secretariat and ask that the various Secretariat departments speak with one voice.

Implementers urge the Global Fund to review, improve and adhere to Standard Operating Procedures to allow for the secretariat to be **smarter and faster**, noting in particular the need for **timely responses to requests from countries**.

Implementers **encourage the country team approach and the strengthening of the FPMs** through increased visits to countries, and better use of videoconferences (but not relying on email for complex communications) and the need for engagement at country level not only when there are grant problems.

Implementers agree with the Board decision **not to establish Global Fund country offices**.

Implementers encouraged the Global Fund to **enhance communication** with policy makers, Ministries of Finance and other key stakeholders so as to show the real impacts of the Global Fund.

Transforming Governance:

Implementers agree that they need to **improve the level and quality of participation** at the Board.

Implementers want their Board representatives to be effective representatives of their delegations, and to represent implementers fully (not just their own countries or institutional perspectives).

Implementers need **improved communication between global and country levels** for a consultative, representative process to inform their Board and committee representatives. Implementer Government constituencies require a **permanent high level support structure or mechanism** to ensure effectiveness and maximize representation and accountability.

Implementers request that there should be **one Board representative each from Eastern and Southern Africa** given the overall disease burden and use of Global Fund resources by these two regions.

Transforming Resource Mobilization:

Implementers are committed to playing their part in **increasing efforts to mobilize resources** for the Global Fund.

Implementers call for increased and urgent action to broaden resources, including through **innovative financing measures** for the response to the three diseases; this should include increasing taxation, FTT for development, Debt4Health initiatives, mobilizing resources from emerging economies, increased private sector funding, as well as maintaining and growing donor commitments.

Implementers applaud the steps taken to **encourage increased domestic funding** for national responses and urge the Global Fund to take even more steps to leverage progressive increase in national Government allocations for HIV, TB and malaria; Implementers are also firmly committed to advocating for increased donor funding commitments.

Implementers stress the importance of the **principles of additionality of Global Fund money**; this needs to be maintained and safe guarded; Implementers are concerned by worrying indications of a tendency for governments and bilateral donors to either reduce their funding commitments or to reallocate national funding away from previously supported programmes.

Conclusion:

Implementers recognize and appreciate UNAIDS, WHO and the Stop TB Partnership for convening these discussion platforms (Geneva, Dakar, Nairobi) and creating the space for increased participation by Implementers in their Global Fund.