OPERATIONS UPDATE

Outline: This note provides an overview of the progress made by the Operations Team since the last Board meeting in September 2005.
Part 1: Introduction

1. During 2005, the Secretariat has continued to focus on accelerating and improving the quality of its work throughout the life-cycle of grants. This extends from grant negotiations, and signing, implementation of performance-based disbursements, to Phase 2 renewals.

2. All grant agreements for the first two-year funding period for Rounds 1 – 4 have been signed. An additional 47 Phase 2 grant agreements have been signed. Disbursements have continued to increase and have almost reached USD 1.8 billion. Impressive results reflect the number of persons receiving treatment and benefiting from services.

3. Efforts are underway to negotiate and sign grant agreements for approved Round 5 proposals. New measures are being implemented to streamline the preparation period yet still ensure effective grant implementation and financial accountability of Principal Recipients. The first Round 5 grant has just been signed eight weeks after Board approval. Preparations are ongoing for the signing of proposals recommended by the TRP in Category 2 which will be approved as funds become available under the terms of the Comprehensive Funding Policy.

4. The Phase 2 renewal process is now a regular feature of daily grant management activities. To date, 108 grants had been reviewed by the Secretariat Phase 2 Panel worth over USD 1 billion. 95 grants have been approved by the Board totaling 986 million and 47 Phase 2 grant agreements have been signed. Results indicate that the principle of performance-based funding works: funds are matched to program performance to ensure that funds continue to flow to effective services reaching people in urgent need.

5. The Early Alert and Response System has been finalized and is in operation to facilitate accelerated implementation by pro-actively addressing slow-moving grants in a timely and comprehensive manner. Implementation challenges can be identified through the systematic sharing of information on grant progress both within the Secretariat and with recipients and partners.

6. The Secretariat has continued to engage with partners over the last few months to better coordinate activities in recipient countries, through various partnership fora, conferences and bilateral meetings. In addition, the Secretariat plays an active role in the Global Implementation Support Team (GIST) which addresses challenges in defined countries by coordinating activities among partners and facilitating technical assistance to resolve bottlenecks to program implementation. By year’s end, regional meetings with recipients and partners will have been held in six regions.

7. In recent months, the Operations Unit has continued to make substantial progress with recruitment. All Portfolio regional teams are completely staffed. Efforts are now being undertaken to fill vacancies in the Operational Partnerships and Country Support team and strengthen the procurement team. Focus is also being given to recruit a Chief of Operations and ensure a smooth transition of management of the Operations Unit during the interim period until a candidate is selected.

Part 2: Portfolio Update

Grant Agreements and Disbursements

1. As of 28 November, 370 grant agreements have been signed in 127 countries. This figure includes both Phase 1 and Phase 2 grant agreements. All 322 approved Round 1, Round 2, Round 3 and Round 4 proposals have been signed. The final Round 2 grant agreement for South Africa (HIV/TB) was finalized and signed on 15 November 2005. In June 2005, the Board approved a request to extend the 12-months signing deadline by an additional three months for four Round 4 grants: an HIV/AIDS grant for Papua New Guinea, a malaria grant for Togo, an
HIV/AIDS grant for Swaziland and a tuberculosis grant for Ecuador. The HIV/AIDS grant for Papua New Guinea was already signed within the 12-month deadline. The remaining grants were signed by 30 September. The final Round 4 grant, a tuberculosis grant for the Russian Federation which was successfully appealed, was signed on 4 October. The first Round 5 grant was signed on 28 November within eight weeks after Board approval. A total of 47 Phase 2 grant agreements have also been signed.

<table>
<thead>
<tr>
<th>Grants Agreements</th>
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<tr>
<td><strong>figures as of 28 Nov 2005</strong></td>
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<tr>
<td>Round</td>
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<td>Round 1</td>
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<td>Round 2</td>
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<td>Round 4</td>
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<td><strong>Total</strong></td>
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Figure 1: Status of the Global Fund grants agreements

2. In August 2005, a number of grants were terminated and suspended in two countries. In Uganda, a total of 5 grants (Round 1 HIV/AIDS, Round 2 malaria, Round 2 tuberculosis, Round 3 HIV/AIDS and Round 4 malaria) were suspended end-August due to mismanagement of the Project Management Unit within the Ministry of Health. The suspensions were lifted on 10 November following the signing of an Aide Memoire which set out action points for restructured management of the grants. Measures agreed to will consolidate grant management under the Ministry of Finance as Principal Recipient to strengthen oversight and governance of Global Fund grants. This will ensure effective, accountable and transparent implementation of funded programs in Uganda. On 18 August, the Global Fund terminated three grants in Myanmar: a Round 2 tuberculosis grant, Round 3 HIV/AIDS grant and Round 3 malaria grant. Negotiations with the Principal Recipient are currently being finalized to ensure a humane phase-out process.

3. To date, a total of US $1.77 billion has been disbursed to Principal Recipients in 127 countries out of a total commitment in signed grant agreements of US $3.5 billion. Of the disbursed amount, 57% of funding has been disbursed to Sub-Saharan Africa, 15% to East Asia and the Pacific, 11% to Latin America and the Caribbean, 9% to Eastern Europe and Central Asia, and 8% to South Asia, the Middle East and North Africa.
4. The Secretariat aims to disburse US $2 billion by the end of 2005 and has thus far achieved 89% of this target. In order to evaluate progress, the Secretariat examines the proportion of disbursed funds against total committed funds, and compares this with the proportion of time elapsed since the signing of grant agreements. The current rate of disbursements shows that 58% of signed grant values were disbursed at an average elapsed time of 63%. This is equivalent to an annual disbursement rate of approximately 92%.

5. The average amount of elapsed time between Board approval of a proposal and grant signing and between grant signing and first disbursement has improved. The average time required from Board approval of proposals to grant signing has decreased from 361 days for Round 1 grants to
292 days for Round 4 grants. The average time from grant signing to first disbursement has improved from 72 days for Round 1 grants to 44 days for Round 4 grants. With the introduction of a new assessment tool for Principal Recipients which are already implementing Global Fund grants - ‘repeat PRs’ - it is anticipated that these figures will decrease further. As a result of implementation of this tool, the first Round 5 grant has already been signed within 8 weeks of Board approval.

![Figure 4: Days elapsed between Board approval and grant signing](image1)

![Figure 5: Days elapsed between grant signing and first disbursement](image2)

6. The expenditure rate of Principal Recipients was calculated in May 2005 and showed that of US $1.2 billion disbursed to countries, Principal Recipients had spent or further disbursed approximately US $797 million, i.e. 67.8%. An additional 14.4% of funds disbursed were committed for the purchasing of drugs, medical goods and services. Therefore the total amount of funds spent and committed by Principal Recipients amounted to 82.2%. With the rolling out of a new disbursement tool early 2006 which captures expenditure amounts of Principal Recipients, this figure will be calculated automatically across all grants.

**Results**

7. The Secretariat announced portfolio-wide results end-November 2005 after conducting joint data sharing and analysis sessions with partners including WHO, UNAIDS, PEPFAR and the
World Bank. Results show substantial acceleration of implementation during 2005 and that as of 30 November 2005, Global Fund grants provided:

- 384,000 people with ARV treatment for AIDS (a 75% increase since figures of 30 June 2005);
- 3.9 million people with counseling and voluntary HIV testing;
- 1 million people with treatment under the DOTS strategy for tuberculosis control (a 67% increase since figures of 30 June 2005);
- 7.7 million insecticide-treated mosquito nets to families (a 150% increase since figures of 30 June 2005).

8. The rapid increase in ITNs distributed during the second half of 2005 is particularly significant doubling the results of June 2005. This has been due to intense efforts to tackle bottlenecks and procurement challenges of malaria grants.

**Part 3: Phase 2 Renewals**

1. As of 1 December 2005, 108 grants had been reviewed by the Secretariat Phase 2 Panel worth over USD 1 billion. 95 grants have been approved by the Board totaling 986 million and 47 Phase 2 grant agreements have been signed. Nine further recommendations were sent to the Board for approval on 1 December 2005. These figures show that the Phase 2 renewal process is now an integral and regular feature of grant management by the Secretariat.

2. Results of Phase 2 reviews show that the cornerstone principle of Global Fund processes, the principle of performance-based funding, works. Ratings given by the Phase 2 Panel to requests for funding for Phase 2 reflect the viability of performance-based funding. 26 grants have received an ‘A’ rating, 58 a ‘B1’ rating, 20 a ‘B2’ rating and only 4 grants a ‘C’ rating.

3. Until now, the Board has concurred with one Secretariat No Go recommendation for a Round 1 malaria grant for Senegal in September 2005 and funding has therefore not been continued. Since adoption of the new policy for No Go recommendations at the Eleventh Board Meeting in September 2005, five Requests for Continued Funding have been processed following the new No Go procedures. These procedures allow the relevant CCM to respond to an intended No Go recommendation of the Phase 2 Panel within a four week period. To date, recommendations for three Requests for Continued Funding from Kenya and Nigeria have been processed accordingly. After considering additional information received from CCMs, the Phase 2 Panel maintained its No Go recommendations for the three grants based on insufficient evidence of performance to warrant continued funding for Phase 2. These recommendations were sent to the Board on 1 December. Two grants for Lesotho have been given a preliminary No Go recommendation by the Phase 2 Panel. Comments from the CCM are currently being solicited.

<table>
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<th>#</th>
<th>Country - Round - Disease Component</th>
<th>Grant Number</th>
<th>Secretariat Recommendation</th>
<th>Status</th>
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<tr>
<td>1</td>
<td>South Africa, HIV/TB - Round 1</td>
<td>SAF-102-G02-C-00</td>
<td>NO GO</td>
<td>TRP Conditional Go recommendation pending Board decision</td>
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<tr>
<td>2</td>
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<td>KEN-202-G04-T-00</td>
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<td>3</td>
<td>Nigeria, HIV - Round 1</td>
<td>NGA-102-G01-H-00</td>
<td>NO GO</td>
<td>Comments from CCM received. No Go recommendation pending Board decision</td>
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4. While the renewal process has become a regular feature of grant management of the Secretariat, it has become increasingly clear that preparatory work for internal review is more time and labor intensive than previously envisaged. To facilitate the preparation and processing of Requests, the Phase 2 IT forms and tools for both country-level and Secretariat processing have been improved and adopted for use. However, additional resources and focus will be required to ensure quality documentation, and quality management and analysis of data.

Part 4: Round 5

1. At the Eleventh Board Meeting held in September 2005, the Board approved the recommendations of the TRP to classify 63 components as Category 1 and Category 2 proposals. Proposals from four countries were recommended for the first time: Albania, Bosnia and Herzegovina, Brazil and Congo. Due to the current shortfall of resources pledged for 2005, the TRP recommended proposals be prioritized using a composite index based on poverty and disease burden. The Board approved 26 Round 5 proposals recommended as Category 1, Category 2A with composite index 8 and Category 2A with composite index 6 subject to clarifications sought by the TRP. The Board also decided that remaining proposals recommended for funding by the TRP in Category 2 be approved (subject to clarifications sought by the TRP and no later than 30 June 2006) as funds become available under the terms of the Comprehensive Funding Policy.

2. Immediately following the Board meeting, the Secretariat initiated the clarification process for relevant proposals as requested by the TRP. As of 1 December 2005, all initial clarifications had been received by the TRP in a timely manner. Twenty-eight (28) of 63 proposals have completed the clarification process and have been approved by the TRP Chair/Vice-Chair.
3. Following the Board decision on Round 5 proposals, 43 components for the same disease had been rejected in two consecutive Rounds and could therefore be appealed. Twenty-one (21) appeals were submitted, however, two were deemed ineligible as they concerned proposals for different disease components. The Internal Appeal Panel convened in Geneva on 24-25 November 2005. Four appeals worth USD 63 million over 2 years were successful and have been recommended as additional Category 2 proposals for funding to the Board.

4. Preparations and negotiations for the signing of Round 5 grants have begun. As with Round 4, an ambitious internal target to sign grants expeditiously has been set and Portfolio teams have prepared detailed work plan to meet their schedules. The Secretariat has undertaken a number of measures to facilitate the signing of Round 5 grants and improve the time interval between Board approval and grant signing and subsequent first disbursements:

- A new tool has been launched to improve the efficiency of the signing process. Many proposals have been designed to build upon or complement the activities of existing Global Fund grants in the country. PRs of existing programs are often also managing new grants. A new assessment tool has therefore been created specifically for repeat PRs. The tool will enable LFAs to focus their assessments on the additional burden of new grants on PR capacity rather than undertaking basic assessments for first-time recipients. This should accelerate the assessment process while still ensuring robust evaluations of PR capacity to effectively manage and account for Global Fund money. The tool will be further refined after two months based on feedback from LFAs.

- A new combined attachment 1 & 2 for grant agreements has been developed to streamline workloads and ensure targets for year 2 are set in a timely manner. For PRs with past weak performance or attachments requiring close monitoring, attachments 1 and 2 can be used separately, however, only on an exceptional basis.

- The existing grant agreement template has been revised and includes new terms to address operational requirements including new procedures to terminate grants, and monitoring and audit requirements. The revised version also incorporates relevant Board decisions, for example, quality assurance requirements.

- Training sessions are being organized for all relevant Portfolio staff, particular for new-comers to the Secretariat, on the grant negotiation and signing process for Round 5 grants including the new repeat PR assessment tool and M & E requirements.

- Round 5 grants will be ‘launched’ in-country during the grant signing process by a cross-functional Global Fund team including Portfolio, finance and legal staff. This will enable the team to provide focus and substantive support to PRs and CCMs for successful grant implementation. Where possible, these will be combined with a ‘launch’ of the Phase 2 review process where Secretariat staff can provide substantive advice on requirements for Phase 2 review.

5. As already mentioned, the first Round 5 grant has already been signed within eight weeks of Board approval. A health system strengthening grant for Rwanda was signed on 28 November 2005. This grant is Rwanda’s sixth grant with the Global Fund. It supports health system strengthening and is worth USD 14.3 million during its first two-year phase.

6. Corrections of two-year funding amounts for three components approved by the Board at the Eleventh Board Meeting are currently being addressed:

- The two-year funding amount for a tuberculosis component for Nigeria was incorrectly specified to the Board as USD 19,217,311. The Board approved the correct amount originally provided to the TRP of USD 25,570,097 (an increase of USD 6,352,786) on 1 December 2005. As a result, budgetary implications for the Round 5 funding decision taken by the Board with respect to Recommended 1 Proposals and Recommended 2A Proposals (composite index 6 and 8) will be increased by US$6,352,786 to US$388,429,847 over two years.

- Amounts approved by the Board for a tuberculosis component for DRC and a malaria component for Niger were higher than originally requested due to erroneous...
conversions between currencies. The amount approved for DRC for a two-year period was USD 17,613,606 whereas the amount requested was USD 14,598,934. The amount approved for Niger for a two-year period was USD 5,148,600 whereas the amount originally requested was USD 5,141,434. These figures will be revised and reduced accordingly during the TRP clarification process. This will then reduce the funding need for proposals approved at the Eleventh Board Meeting to USD 385,408,009.

7. Preparations for a Call for Proposals for Round 6 are underway. Following recommendations of the TRP, the Guidelines and Proposal Form will remain essentially in the same format as those developed for Round 5. The Secretariat has already commenced a revision process of relevant documents and invited technical partners including WHO and UNAIDS to provide feedback particularly focusing on issues highlighted by the TRP in its report on Round 5 Proposals provided at the Eleventh Board Meeting (GF/B11/6).

8. A sub-working group set up at the request of the Portfolio Committee is addressing concerns of the failure rate of health system strengthening components in Round 5. The group, led by WHO, is currently working on relevant issues and will report its findings to the Portfolio Committee in January 2006.

Part 5: Operational Policy

1. The Operational Policy Committee (OPC), an internal coordination body responsible for the development, implementation and revision of operational policies, has been meeting regularly over recent months to address current policy issues. The Committee consists of the Chief of Operations (Chair), the Chief Administrative Officer and the Director for Strategic Information and Evaluation as permanent members.

2. Recent work of the OPC includes reviewing and endorsing new tools and procedures for Round 5 grant signings described above: repeat PR assessment tool, updated grant agreement template and updated monitoring and evaluation requirements.

3. The OPC has also overseen the following Secretariat-wide initiatives:
   - Undertaking an informal internal study on reasons for delays of Phase 2 reviews;
   - Clarifying requirements for Grant Performance Report (GPR) updates;
   - Reviewing requests for no-cost extensions before forwarding to the Board for approval;
   - Advising and guiding preparatory work for a paper submitted to the Portfolio Committee on multiple grants in the same country;
   - Updating the disbursement request and progress update template currently submitted by PRs for continued funding;
   - Approving updated guidance on the TRP clarifications and appeals processes; and

Part 6: Local Fund Agents

1. Recognizing its significant investment in and reliance on LFAs, the Secretariat is implementing a more strategic approach to managing the LFA resource. A new LFA management function has been established to provide greater focus on the overall management of LFA services at the Secretariat. A LFA Manager was recruited in October 2005 and is leading initiatives to improve the quality of LFA services. These include pursuing closer liaison with LFA headquarters, training LFAs, establishing quality control mechanisms and establishing communications protocols. LFA budgets are to be managed using a risk-differentiated approach to focus LFA attention where it is needed most.
Part 7: Development of the Early Alert and Response System

1. The rollout of the Early Alert and Response System (EARS) has progressed more slowly than originally anticipated in an effort to ensure that the system is correctly designed, that countries and partners understand the system, and that it is responsive to country contexts. A review of grants identified as potentially requiring assistance is ongoing and the next set of First Alert letters is expected to be sent in the next two weeks. The list is based on an internal Secretariat tracking system that monitors calendar-driven and disbursement-related indicators throughout the lifecycle of the grant. As the Secretariat expands and improves its information management, EARS will be able to better monitor performance-related indicators.

2. Thirty-four grants in twenty-one countries were on the original EARS list, and the Principal Recipients (PRs) of these grants received notification in August. The Secretariat is now following up on the progress of these grants, and sending an additional communication to the CCM of those grants where appropriate, so that the CCM is able to exercise its oversight role and coordinate a response to challenges.

3. Over time, the Secretariat intends to update the EARS list monthly. A new version of the EARS list is under development and additional letters will be sent to PRs, and then CCMs.

4. EARS has been developed in consultation with grant recipients and partners. The Secretariat is presenting EARS at all regional meetings this year, both to explain how the system works and to solicit feedback from grant recipients and partners.

Part 8: Strengthening Partnerships to Achieve Results

1. The Secretariat has significantly engaged with partners over the last few months in order to better coordinate activities in recipient countries, through regional meetings, various partnership fora, conferences and bilateral meetings.

2. The Secretariat continues to play an active role in the development and implementation of the Global Implementation Support Team (GIST). The GIST meets monthly to address challenges in countries and to coordinate activities better among partners. GIST facilitates technical assistance, the preparation of technical assistance plans, and helps countries to resolve bottlenecks to program implementation.

3. The Global Fund, the Office of the Global AIDS Coordinator (PEPFAR) and the World Bank are planning a joint coordination meeting to be held 10 – 12 January in Washington, DC. Discussions will focus on both strategic and country-level issues concerning coordination and harmonization across all three diseases.

4. As a result of GIST engagement, the World Bank organized a joint review of HIV/AIDS programs in the Caribbean region. Participants included the Global Fund, World Bank, DFID, UNAIDS, and WHO/PAHO. The review raised a number of very important issues related to donor coordination in the region, and will serve as a model for similar reviews in the future.

Part 9: Examples of Harmonizing and Coordinating with Partners

1. Nepal

The Global Fund has one Round 2 HIV/AIDS grant in Nepal which is incorporated in the national HIV/AIDS response. It also has a Round 2 malaria grant and a Round 4 TB grant. Significant
political problems in the country have resulted in governance and implementation challenges for implementation of grants. These have been addressed through concerted efforts with partners.

Donors are aligning activities and directly supporting implementation of the Global Fund program. USAID has agreed to support logistics for the Global Fund HIV/AIDS program by funding two procurement staff and covering transportation costs of ARVs. UNICEF is undertaking emergency delivery of ARV drugs. UNAIDS is funding a senior program manager to support management structures for effective implementation. WHO is funding an international and a national professional to support implementation of the national program. DFID is using the same financial management mechanisms as the Global Fund for the flow of funds and management arrangements for implementation of an HIV/AIDS program.

To facilitate implementation of the malaria grant, USAID has worked closely with the Global Fund to identify and support PSI as a second PR for the grant. UNICEF is supporting procurement activities.

2. **Somalia**

The Global Fund currently funds three grants in Somalia: A Round 2 malaria grant, a Round 3 TB grant and a Round 4 HIV/AIDS grant totaling USD 24.5 million during the first two years of implementation.

Due to the political unrest and in the absence of a legitimate government in Somalia, proposals to the Global Fund were prepared and submitted as non-CCM proposals by the Somali Aid Coordinating Body (SACB). This body consists of donors, UN agencies and international non-governmental organizations including the EC, UNICEF, WHO, UNFPA, USAID, Italian Cooperation, IFRC/SRCS, International Medical Corps (IMC), Merlin, and World Vision.

The primary responsibility of the SACB is the coordination of international aid for Somalia, however, it also functions as a CCM for Global Fund grants. The SACB thereby assumes CCM roles and responsibilities including the oversight role for implementation of the three grants. Regular updates on grant implementation are provided by the PR to the SACB which endorses any key elements of and significant changes to programs. In the challenging and complex context of Somalia, the SACB provides an important model of coordination based on voluntary and equal participation of donors, UN agencies and NGOs.

3. **East Timor**

The Global Fund has two on-going grants in East Timor: A Round 1 malaria grant and Round 3 TB grant. A Round 5 proposal for HIV/AIDS was approved in September as Category 2B. The Principal Recipient, the Ministry of Health, has been facing enormous challenges in implementing grants due to its weak capacity.

The CCM has been addressing this challenge pro-actively to facilitate support where needed. USAID is an active CCM member and has been aligning its activities to support implementation of Global Fund programs. The work plan and budget of the malaria grant include details for a limited number of ITNs to be procured. To support a wider distribution of ITNs, USAID is providing bed nets primarily for children under 5 years which will be distributed using the capacity and mechanisms established for implementation of Global Fund programs. USAID may fund small grant programs for local NGOs implementing IEC activities during Phase 2 if their proposals to undertake these activities are deemed technically viable. USAID has indicated that it will cooperate with the Global Fund for implementation of the Round 5 HIV/AIDS program. FHI (Family Health International), the Chair of the HIV Technical Working Group which assisted with the development of the HIV/AIDS Proposal, will support implementation of the program.
Part 10: Procurement Initiatives

1. The Global Fund continues to work on several initiatives to address in-country procurement challenges experienced by recipients.

2. Further procurement workshops are being organized to assist recipients with preparations for implementation of Round 5 grants. These are being conducted in partnership with WHO and the World Bank and in collaboration with other partners including USAID, MSH, JSI and UNICEF. A workshop for Francophone African countries will be held mid-January 2006, another for Anglophone Africa in February and one for Eastern Europe and Central Asia in March. Two additional workshops are being organized to train consultants. One will be held early February 2006 for Anglophone consultants and early March for Francophone consultants. These training activities should enhance PSM capacity at the country-level, assist PRs with the preparation of PSM Plans and help identify critical gaps where technical assistance may be required for successful implementation of grants.

3. The Price Reporting Mechanism, a valuable tool for both countries and the Secretariat, is being further developed to include improved data analysis. FPMs are actively engaging with PRs for data to be entered in the system. The response has been encouraging: The total value of prices reported has more than doubled in the past 3 months. However, to guarantee more consistent application by countries, price reporting is to become a requirement for the release of future disbursements.

4. In order to implement the Board’s Quality Assurance decision of the Tenth Board Meeting, the Global Fund has completed the preparation of a comprehensive list of all pharmaceutical products complying with the new policy. The Global Fund Compliance List has been made available on the Global Fund website and can be found at: http://www.theglobalfund.org/en/about/procurement/compliance/default.asp. This will assist countries to comply with the new policy when procuring of single- and limited-source pharmaceuticals. A short-term model for quality control testing of single- and limited-source pharmaceuticals procured by countries under the new Option C is currently being implemented while at the same time focusing on developing a long-term comprehensive system. Consultations with partners are being finalized and an invitation to tender for companies to undertake random quality control testing will be issued by mid-December. This system will allow the Secretariat to comply with the Board requirement that relevant products be randomly subject to appropriate testing, but will also serve as a platform for other partners including Global Fund grant recipient countries to use should they need or wish to do so to improve cost efficiencies.

Part 11: Country Coordinating Mechanisms

1. The Secretariat has been working on its procedures for systematically verifying CCM compliance with the CCM guidelines and requirements. Round 5 applicants were all screened for compliance at the proposal stage; this will be confirmed during grant negotiation. The Secretariat is developing an approach that will involve an annual CCM self-assessment to be validated by the LFA. This approach is also geared to promoting adherence to the principles and guidelines for CCMs, as well as compliance with the requirements.

2. CCMs have been a focus of regional meetings held during 2005 in Abuja (Anglophone West and Central Africa), Dakar (Francophone West and Central Africa), Casablanca (the Middle East and North Africa), Bangkok (East Asia and the Pacific), Kigali (East Africa and the Indian Ocean), and at the Global Fund satellite meeting at CONCASIDA in El Salvador. Additional meetings will be held in New Delhi (South Asia) and Moscow (Eastern Europe) in December.
Part 12: Continuing to Strengthen the Operations Team

Recruitment of New Staff

1. The Operations Unit has made substantial progress in addressing its human resources needs during 2005. Recruitment for regional Cluster teams has been completed. During the last quarter of 2005, particular efforts have been undertaken to recruit for newly created positions to strengthen the procurement team and the Operational Partnerships and Country Support team. Efforts to recruit a Chief of Operations have intensified in light of the current incumbent’s imminent departure. Measures are being undertaken to ensure a smooth transition of management of the Operations Unit.

Future challenge

2. Efforts of the Operations Unit for 2006 will continue to focus on grant signing, disbursements and Phase 2 renewals. However, emphasis will be placed on ensuring a high quality of documentation produced, high quality processes in place, and high quality of data management and analysis undertaken by Operations staff. The number of grants to be managed will increase due to Round 5. In addition, the internal Phase 2 review process has proven to be very time and labor intensive to ensure quality documentation and processes. Staffing needs of the Operations Unit have therefore been reassessed for 2006. Adequate resources will be imperative to ensure a high-quality output while workloads increase, particularly of sufficient Fund Portfolio Managers, Program Officers and Team Assistants.