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Supporting community action on AIDS in developing countries

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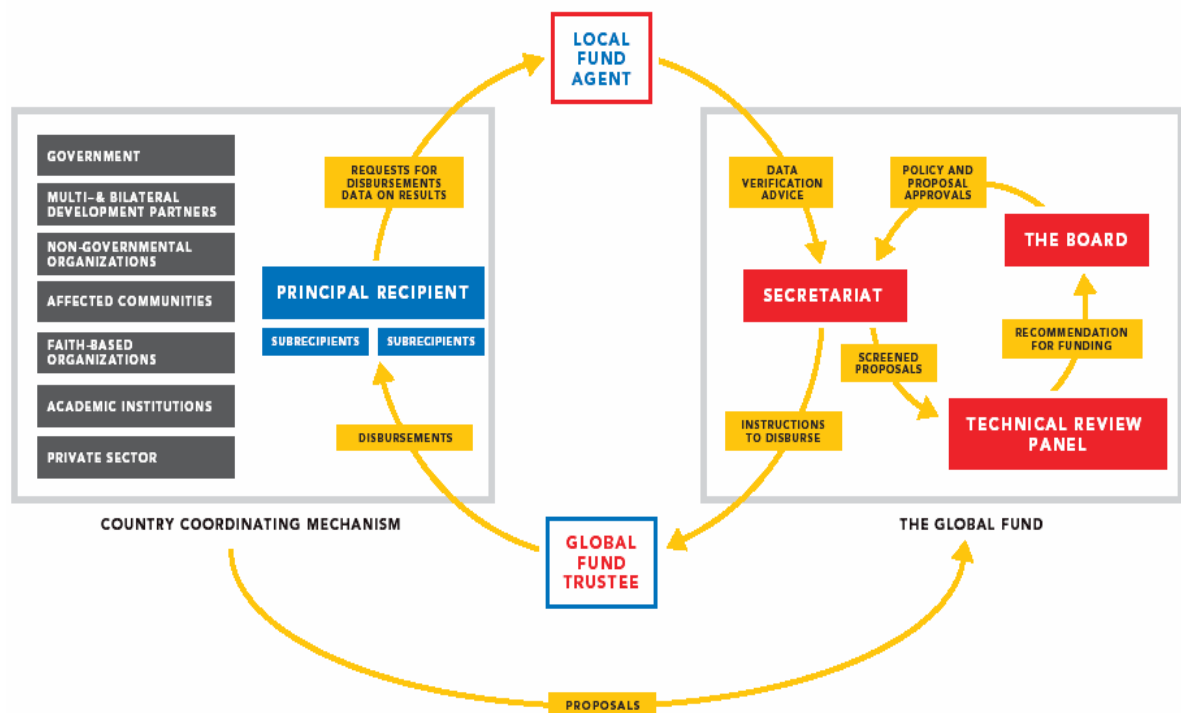
**Challenges and lessons learnt**

This document describes the challenges and lessons learnt with regard to managing a Global Fund (GF) grant. It was generated by members of the Alliance Global Fund Grant Support Group and the managers of three Alliance Principal Recipients - Ukraine, India and Senegal. It covers general issues regarding the GF and the four areas the GF assesses Principal Recipients on:

1. **Engaging with the Global Fund: The proposal process**
2. **Financial management**
3. **Institutional and Programmatic management**
4. **Monitoring and Reporting systems**
5. **Procurement and supply management**
6. **General issues and lessons learnt**

Each section outlines challenges, and lessons learnt in the form of “do’s” and “don’ts” for the different stages of the GF grant cycle. It aims to be a useful aide memoir for those currently managing, or considering managing a GF grant.

## The Global Fund Grant Cycle



## 1. Engaging with the Global Fund: The proposal process

Lessons learnt	
Do	Don't
<ul style="list-style-type: none"> <li>• Consider the risk of being a PR!               <ul style="list-style-type: none"> <li>- Follow your intuition – if you think you don't have the capacity, you are probably right!</li> <li>- Think about the future of your organisation, managing a GF grant will have a significant impact on organisational development – is this what you want, is the will there? Talk to other PRs to see what has been there experience</li> <li>- Make an assessment of your current capacity of being a PR, use the GF PR assessment tools, which are available on the Website</li> </ul> </li> <li>• Ensure you have cross-sectoral political support for your proposal</li> <li>• Turn competitors into partners.</li> <li>• Actively participate in the proposal writing process, with a pragmatic and realistic approach.</li> <li>• The GF is a moving target, it can be frustrating for implementers, it can also offer great opportunities</li> <li>• The GF tries to avoid dictating how to do things but to allow choices to be made, the more you know about the GF guiding principles and decision making, the better equipped you are to make the right strategic choice</li> <li>• Read and constantly refer to the GF Framework document that outlines its Principles and Scope, follow decision making at the Board, look at the exact wording decisions</li> <li>• Don't look for hard and fast rules, go to the Principles and ask how do I handle this situation, is there a precedent?</li> <li>• IN ALL NEGOTIATIONS WITH THE GF, ARM YOURSELF WITH THE PRINCIPLES AND PROPOSE REASOANBLE ARGUMENTS – PERFORMANCE, REASONABLENESS AND</li> </ul>	<ul style="list-style-type: none"> <li>• Enter into being a PR lightly               <ul style="list-style-type: none"> <li>- Put yourself forward without first evaluating whether you have the infrastructure in place to support growth and change</li> <li>- Underestimate the capacities required for being a PR</li> </ul> </li> <li>• Believe that you could be a successful PR without the support of a wider stakeholder group – a common reason for poor performance is weak ownership</li> </ul>

POTENTIAL ARE KEY WORDS

- Other key governance policies and procedures include: [Ethics and Conflict of Interest Policy](#), [Documents Policy](#), [Committee Rules and Procedures](#)
- The approved grant is a ceiling pending negotiation

## 2. Financial Management

### Challenges

- Increasingly sophisticated budget format
- Understanding the financial assessment guidelines which are the least clear out of all GF guidelines
- Accounting for exchange rate fluctuations
- Negotiating with the LFA on amount of detail in financial reports

Lessons learnt	
Do...	Don't...
<ul style="list-style-type: none"> <li>• Be clear on what LFA and GF Portfolio Manager can and can't do.</li> <li>• Build good relations, but do negotiate and have principles.</li> <li>• Engage with GF Portfolio Manager, even on difficult areas.</li> <li>• Be creative about ways to influence the GF Portfolio Manager</li> <li>• Learn how to align the current programmes with the GF programmes.</li> <li>• Synchronise reporting timelines and templates with SRs and Global Fund.</li> <li>• Share financial information – it encourages trust – be transparent</li> <li>• Be very careful what you budget for – mistakes become obligations!</li> <li>• Try to be as detailed as possible in the work plan and budget as the LFA will ask for justifications.</li> <li>• Incorporate LFA recommendations quickly and effectively: Demonstrate you can resolve issues efficiently and demonstrate progress</li> </ul>	<ul style="list-style-type: none"> <li>• Have a separate GF system (reporting, accounting) from your organisation's systems that are already in place</li> <li>• Expect your current finance structure to handle the scale-up and technical support and grant management</li> <li>• Have different reporting timelines or templates with SRs and the GF as this will make things confusing for you</li> <li>• Hide financial information – it serves no purpose anyway as all information is available on the GF website!</li> <li>• Make any mistakes in the budget: double-check your figures</li> <li>• Have unplanned expenditures</li> <li>• Take your eye off the next quarter.</li> <li>• Budget just in a mathematical way</li> <li>• Delay acting upon LFA recommendations</li> <li>• Be afraid of the LFA's feedback: it will help you clarify your budget</li> <li>• Promise detailed information to LFA that you can't provide</li> <li>•</li> <li>• Be realistic about your systems and those of your SRs: Talk through GF requirements with SRs</li> <li>• Forget that the LFA mostly concerned with how SRs are spending the money: how they spend it will reflect on you</li> </ul>

## Lessons learnt on Financial Management cont.

Do...	Don't...
<ul style="list-style-type: none"> <li>• Prepare yourself and SRs early on for GF assessment</li> <li>• Ensure tight controls are in place within the organisation for sub-grants to avoid being at risk as a PR</li> <li>• Spread the risk</li> <li>• Use standard costings for budgeting and SR's budgeting</li> <li>• Explain cash balance in progress updates</li> <li>• Keep to deadlines for the progress reports and disbursement requests</li> <li>• Protect yourself from annual inflation</li> <li>• Have a systematic approach to currency exchange: Do liaise with the LFA on this and agree from the outset on how you will account for currency exchange</li> <li>• Spend more and faster and you will get more</li> <li>• Pay attention to what expenses are allowable</li> <li>• Learn from the experience of other countries</li> <li>• Have adequate forecasting systems in place</li> <li>• Remember that reporting is an opportunity for flexibility</li> <li>• Feedback from the LFA can be frustrating but useful!</li> <li>• LFA may not communicate much – ask advice, look for clues and follow leads</li> <li>• Important to maintain pressure after initial assessment by the LFA – review the four areas over time – it will have implications</li> </ul>	<ul style="list-style-type: none"> <li>• Submit reports late as this will have cash implications and submitting a report early takes the pressure off everyone</li> <li>• Forget to include a line for annual inflation in your budget</li> <li>• Overlook the implications currency exchange will have on your activities and your reporting</li> <li>• Underspend</li> <li>• Incur questionable costs without checking with GF</li> <li>• Feel isolated, if you are stuck with something, find out how others have coped with the same problem</li> <li>• Be afraid to re-programme and re-budget at each quarter</li> </ul>

### 3. Institutional and Programmatic Management

#### Challenges

- Managing scale up
- Alignment of GF with current programmes
- Ensuring that current systems and procedures are clear and robust enough to deal with scale up and that they clear enough for the LFA?
- Evaluating technical support needs (to PR, SRs and sub-SRs)
- Long term implications of the GF grant on the organisation

Lessons learnt	
Do...	Don't...
<ul style="list-style-type: none"> <li>• Have legal status to enter into the grant agreement</li> <li>• Have adequate HR capacity, including staff with specific HIV/health expertise and cross-functional expertise (finance, procurement, legal, M&amp;E)</li> <li>• Have effective organisational leadership, management, transparent decision making and accountability systems</li> <li>• Make sure the systems you have in place are clear to the LFA</li> <li>• Have adequate infrastructure and information systems to support proposal implementation, including monitoring the performance of SRs and out-sourced entities in a timely and accountable manner</li> <li>• Evaluate the capacity building needs of implementing NGOs are</li> <li>• Provide them with training (eg programme management) and mentorship</li> </ul>	<ul style="list-style-type: none"> <li>• Apply to the GF without being registered with the necessary authority in your country</li> <li>• Apply to the GF without an HR plan: The GF will ask to see your organisation's CV – The GF will want to see that you will have personnel with adequate expertise in health and in organisational areas and how they will be managed.</li> <li>• Apply to the GF without having sufficient management capacity, a board that meets regularly and has statutes for its functions, written policies and guidelines on PR/SR relationships etc.</li> <li>• Be shy to communicate regularly with the LFA to make sure that it understands your systems</li> <li>• Forget that you will need a functional IT system, an information system with the capacity to collect and provide programmatic reports including from SRs, internal coordination mechanisms to collaborate with others, and adequate physical facilities</li> <li>• Overestimate the capacity of SRs and SSRs.</li> </ul>

## Lessons learnt: Institutional and Programmatic Systems cont.

Do...	Don't...
<ul style="list-style-type: none"><li>• Make sure the implementation activities that are being contracted out are noted in the workplan</li><li>• Be aware of the changes taking place at the national legislative level and have a system in place to be able to respond to changing policies</li><li>• Do a self-assessment once the proposal is written to check you do have the systems in place rather than having the LFA imposing conditions on your grant after conducting its assessment</li><li>• Prepare yourself and your partners running up to the start date to manage the shift from organic processes driven field programming support to target driven output management.</li></ul>	<ul style="list-style-type: none"><li>• Implement any activities that are not in the workplan</li><li>• Rush into things, plan how your organisation will adapt to potential changes in legislation</li><li>• Overlook anything, be sure you have checked your systems well prior to the LFA making its own assessment of your organisation</li><li>• Expect your current structures to handle scale-up and new ways of working</li></ul>



## 4. Monitoring and Reporting Systems

### Challenges:

- Selecting impact and outcome indicators
- Working out output indicators according to the programme's objectives and defining what they will measure (denominator, numerator).
- Selecting an approach to measure impact (e.g. number of people reached by a service: do you calculate the episodes of service delivery or the cumulative number of clients, the number of regular or current clients?) and setting up management information systems to track changes in the figures
- Aligning reporting cycles

<b>Lessons learnt: Monitoring &amp; Reporting Systems</b>	
<b>Do...</b>	<b>Don't...</b>
<ul style="list-style-type: none"> <li>• Harmonise programme indicators with national indicators Look at the existing in-country M&amp;E framework when choosing indicators and build on those</li> <li>• Build on existing programme cycles/systems (MRS): Negotiate with the GF to avoid the challenges of reporting to multiple donors at different times in the year</li> <li>• Manage the reporting – agree internal deadlines of different donors.</li> <li>• Use a conceptual framework for M&amp;E which will allow the proper interpretation of the results and ensure that you do not deviate from what has been designed in the overall programme framework</li> <li>• Have an elaborate M&amp;E Plan</li> <li>• Assumptions behind indicators must be clearly identified – need to be able to explain to LFA why indicators have not been met / exceeded</li> <li>• Have clearly identified SMART indicators with baseline and targets</li> <li>• Balance political and operational considerations when setting targets.</li> <li>• Influence data gathering activities on impact</li> <li>• Link activity results to impact and demonstrate linkage</li> <li>• Build narrative through programme reports. Look at trends and include in narrative.</li> </ul>	<ul style="list-style-type: none"> <li>• Try to come up with a new set of indicators: The GF is about contributing to national programmes</li> <li>• Create parallel systems with government</li> <li>• Choose to set up a separate reporting system: this will complicate things for you!</li> <li>• Forget its easier to report on distinct sites than across many sites with different funding streams</li> <li>• See M&amp;E as an additional burden: you should try to see it as an inherent part of all activities implemented under the grant.</li> <li>• Have too many indicators</li> <li>• Have indicators on prevalence</li> <li>• Add indicators during implementation</li> <li>• Change the targets – once fixed, do not change them</li> <li>• Guess targets (do be conservative)</li> <li>• Put in outcome indicators which are difficult to measure e.g. stigma reduction</li> <li>• Forget to base your targets only on evidence of what has been previously achievable</li> </ul>

## Lessons learnt: Monitoring & Reporting Systems

Do...	Don't...
<ul style="list-style-type: none"> <li>• Plan for changes in the epidemic over time.</li> <li>• Targets in the first month should be minimal during period of hiring staff, office set-up, etc</li> <li>• Quality assurance of data collected and reported, go to field and selectively quality check</li> <li>• Collect evidence of your work and the changing epidemic</li> <li>• Have a robust M&amp;E system : train your staff and SRs</li> <li>• Ensure capacity building is done before target setting.</li> <li>• Have a clear understanding with SRs and SSRs of the roles and responsibilities</li> <li>• Have a good system for reporting, get information on time.</li> <li>• Are there shortcuts in communication reporting system? If there are use them</li> <li>• Specify dates for public reporting</li> <li>• Apply public relations skills to reporting</li> <li>• Establish strong partnerships within networks of civil society organisations</li> <li>• Use data for management purpose – not just for reporting, analyse the data and use for management decisions</li> </ul>	<ul style="list-style-type: none"> <li>• Be too ambitious in the first quarter: there will be a lot of work to do</li> <li>• Forget to plan to carry out regular quality checks: make the time</li> <li>• Have staff with little experience in M&amp;E: Make sure they are adequately trained!</li> <li>• Overestimate the M&amp;E capacity of SRs and SSRs</li> <li>• Overdo M&amp;E, you need to allow time for SRs to implement the activities</li> <li>• Work in isolation: you need to work as a group all the time</li> <li>• Just use your data for reporting, use it to inform other aspects of your work</li> </ul>

## 5. Procurement and Supply Management (PSM)

### Challenges

- There are 58 steps in the process to procure substitution therapy (steps include following regulations, permissions, applying for an international quota to the International Narcotics Committee, paperwork, etc)
- Budget – internal re-planning
- The Health Product List requires extra processes for amendments to original plan (time-delay)
- Quality assurance: in spite of following all guidelines, quality checks, etc., problems can still come up
- Delivery delays (which will lead to interruptions in treatment)
- Emergency procurement

<b>Lessons learnt: Procurement &amp; Supply Management</b>	
<b>Do...</b>	<b>Don't...</b>
<ul style="list-style-type: none"> <li>• Have a comprehensive procurement policy which adheres to GF policies</li> <li>• Have adequate rules, regulations and structures in place: Ensure that national laws and GF requirements are aligned</li> <li>• Plan sufficient stocks (buffer) in case government funding is insufficient and released irregularly</li> <li>• Recruit or train your staff in procurement</li> <li>• Have a good understanding of market fluctuations and how to respond to them</li> <li>• Have access to unbiased market information</li> <li>• Maintain transparency and accountability</li> <li>• Involve stakeholders in decision making</li> </ul>	<ul style="list-style-type: none"> <li>• Operate in the absence of a comprehensive procurement policy</li> <li>• Launch a procurement initiative without researching your donor agencies' procurement regulations and ensuring these do not conflict</li> <li>• Underestimate the importance of planning ahead: if there are delays in delivery, this will lead to interrupted treatment</li> <li>• Have staff with little experience in procurement and in responding to market fluctuations</li> <li>• Forget to keep a close eye on the market</li> <li>• Underrate the importance of reporting and communicating with all stakeholders</li> </ul>

## 6. General lessons for the Alliance

General lessons learnt	
Do...	Don't...
<ul style="list-style-type: none"> <li>• Keep CCM members happy and allow them to understand the Alliance as an organisation.</li> <li>• Share the ownership of success with all stakeholders – a national, team effort success vs. an Alliance one alone</li> <li>• Ensures institutions take target responsibility not individual responsibility.</li> <li>• Be prepared to micro-manage in the short term.</li> <li>• Better understand the context / nuances</li> <li>• Give immediate focussed attention to any areas of alarms.</li> <li>• Remember that phase II begins with phase I, build on work of phase I to qualify for continued funding.</li> <li>• Watch the clock</li> <li>• Build on existing programmes. Build ownership of programmes.</li> <li>• Be creative, negotiate and during planning consult widely – allow time and resources for this.</li> <li>• Plan TS in advance (what support will you need at different stages?) Negotiate and manage the start date.</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Expect the CCM to be in touch with you: send them reports every quarter to keep them informed even if they haven't asked for it;</li> <li>• Don't be shy to ask advice from your LFA</li> </ul>