

BACKUP Health

BACKUP intervention area: grant management

Background

Global Fund grants, from their disbursement to the implementation and delivery of services to patients, involve a multitude of stakeholders. As such, successful grant management is key for ensuring the effective use of Global Fund money.

Throughout the whole grant cycle – from applying for grants to implementation, evaluation and monitoring – grant recipients face a number of challenges. Among these challenges are poor absorption capacity and poor financial management at the grant-recipient level, and also the low quality or lack of monitoring and evaluation data and key-population data. These often result in key populations' needs being poorly understood and limited or no services being developed for them.

To maximise its impact, the Global Fund uses a performance-based funding system, which enables it to sustain and accelerate gains made in the fight against HIV/AIDS, tuberculosis and malaria. Simply put, it means that funding is dependent upon proven results measured against time-bound targets. Performance-based funding promotes accountability and provides an incentive for recipients to use their funding as efficiently as possible. As such, effective grant management helps recipients to achieve targets and assure continued funding.

In the scope of grant management, the new funding model focuses much more heavily on risk management in the planning, implementation and monitoring of grants. Risk in the Global Fund context is defined as the uncertainty of achieving set objectives and intended outcomes. This includes underachieving and negative outcomes and events (downside risk) and, conversely, overachieving targets (upside risk). The Global Fund has defined four categories of operational risks: (i) programmatic and performance risks, (ii) financial and fiduciary risks, (iii) health service and health product quality risks, and (iv) governance and oversight risks.

To ensure these risks are managed in the best way possible, the Global Fund Secretariat is seeking to strengthen risk management capacities both in-house and across its grant portfolio. However, it remains clear that, since country partners are the ones implementing Global Fund grants, grant management and especially risk management must happen at the level of grant recipients and Country Coordinating Mechanisms (CCM). For this reason, strengthening the deliverers' and CCMs' risk management processes and practices is vital.

To be fully effective, risk management needs to be an integral part of the organisational culture and entirely embedded within the programme management cycle. A risk-aware corporate culture that promotes effective and open communication is therefore key. Risk management is not about uncovering mistakes and shaming those responsible. It is about understanding, anticipating and identifying weak capacities, gaps in management processes and deficiencies in oversight and governance that could result in programmes failing to meet their targets, failing outright or, even worse, acting fraudulently and misusing funds. The aim is to improve processes and develop capacities where needed, and to promote an open dialogue on potential risks.

BACKUP definition of the intervention area

If countries are to put the money they acquire from the Global Fund to good use, they first need to develop a range of expertise, from good financial management to service organisation. This will not only prevent programme failure and the misuse of funds, but also ensure countries achieve the largest possible impacts on health. Providing principal recipients (PRs) and, by extension, sub-recipients (SRs) with technical support on grant management will also sensitise them to the various challenges involved in implementing Global Fund grants.

An essential aspect of grant management is the mitigation of risks throughout the grant implementation process. BACKUP's definition of risks and risk management mirrors that of the Global Fund. Programmatic and performance risks and governance and oversight risks are two of the four Global Fund operational risk categories that BACKUP focuses on when providing technical assistance in the intervention area of grant management. The promotion of an open approach to risks and their mitigation and assurance that forms part of a widely accepted risk culture should be the aim of risk management interventions.

CCMs seeking technical support to strengthen their governance and oversight function can draw down this support from the intervention area for Country Coordinating Mechanisms.

Results framework and selection criteria

The overriding objective of BACKUP's work in the area of grant management is the reduction in twelve selected countries of operational programming and governance risks that the Global Fund considers as threatening the implementation of programmes. The achievement of this objective will be indicated through risk-related reports of the Global Fund or the PRs. BACKUP's technical support is targeted to PRs managing a large number of SRs and civil society PRs seeking to improve their grant management capacities.

The grant management interventions should lead to improvements in the overall performance of the grant in terms of its output, outcome and impact targets and its absorption capacity. The success of the grant management interventions will be measured using the indicators below:

- In 9 selected countries, PRs and by extension their SRs have deployed a monitoring tool for GF funds twice a year to strengthen their capacity.
- In 6 selected countries, principal recipients and by extension their sub-recipients have begun to implement measures agreed with the Global Fund to mitigate their specific risks.
- In 2 selected countries, where a financial controller (fiduciary agent) is deployed, coordinated measures with the Global Fund have been implemented with regard to the readmission of financial responsibility to the principal recipient.
- In selected countries, the performance of PRs in terms of data collection and analysis has improved.
- In selected countries, the performance of PRs with regard to financial management has improved.

Some examples of activities

BACKUP's grant management support comprises technical assistance on M&E, financial management, reporting, oversight and good governance. These interventions help to ensure that the project is implemented in accordance with the contractual terms and conditions, and also help to prevent the misappropriation of funds. BACKUP supports PRs to develop risk management strategies for SRs and to strengthen their oversight and governance function. Furthermore, BACKUP develops risk management manuals, trains PRs on the implementation of risk mitigation strategies, and supports civil society organisations to improve how they implement grants (M&E, data collection and use). BACKUP funds can also be requested for horizontal learning approaches where PRs with successful risk management procedures share their learning and experiences (e.g. in joint workshops) with PRs seeking to improve their risk management. BACKUP provides funds for the establishment of regional advisory capacity in the area of grant management, which focuses on the specific needs of PRs and supports them to manage their grants more effectively. BACKUP can provide support on:

- providing PRs with capacity development on quality assurance in data collection and M&E;
- developing PRs' financial management skills;
- conducting risk assessments, and planning and implementing risk mitigation and assurance measures;
- providing civil society PRs with capacity development on monitoring their grants and managing their SRs (e.g. through technical assistance, training, and forums for south-south knowledge exchange);
- putting in place and strengthening local/regional consultancy capacities to support the management of Global Fund grants.

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