

Country Coordinating Mechanism for AIDS, Tuberculosis and Malaria

Meeting Minutes

8th Myanmar Country Coordinating Mechanism (M-CCM) Meeting

10:00 – 12:30, 22 June 2010 – Ministry of Health, Nay Pyi Taw, Myanmar

Opening remarks: Vice Chair Prof. Kyaw Hla

In the absence of H.E Prof Kyaw Myint, the Vice Chair of the M-CCM Prof. S. Kyaw Hla welcomed the members and the participants, including representatives from LFA, PRs and 3DF, to the 8th M-CCM meeting. He excused the Chair who had to travel unexpectedly. Subsequently he read a message from the Chair. In the message, the Minister informed the M-CCM of the upcoming GF mission for advance grant negotiation and emphasized the importance of timely grant signing, in order to secure the fund. He also requested to get the draft MOU for advance clearance from other related departments concerned. The Minister mentioned in his message that M-CCM oversights not only programmes on three diseases, but also to other health related issues, thus GAVI-HSS fund was invited to share the progress their experience and lessons learned during this meeting. In conclusion, He expressed his hope that the GF grant approval will be in time and a success to make tremendous advances in the National Response to the three diseases with our concerted and collaborated efforts.

1. Approval of the Minutes of minutes of the last M-CCM meeting (...)

Dr Saw Lwin, Deputy Director General Department of Health, presented an overview of meeting minutes from the 7th M-CCM meeting held. The Vice Chair asked the M-CCM members for any comments in addition to the comments received on the draft meeting minutes. No additional comments were received and the Vice Chair of the M-CCM declared the minutes approved.

2. Updates by PRs

Save the Children (STC)

Naida Pasion, STC, presented for STC. She reported the progress of the grant negotiations. The draft grant documents were submitted to the Global Fund Secretariat in April. Additional savings of SRs have been identified (see attached presentation for details). As regards the PR, the total PR budgets have been reduced substantially. The total savings amount to 7% for STC and the SRs under this grant.

STC has already recruited a number of key staff (i.e. Programme Director and Deputy Programme Director will arrive in August/September).

STC reported that the timelines are tight. It also advised that there are potential issues with shortages for health products in quarter 1 and 2 especially for ARVs unless a solution is found to expedite the procurement process.

UNOPS

Attila Molnar, Programme Coordinator PR, presented an update of UNOPS grant negotiations. The key documents have been submitted to the GF in May. It is expected that grant documents will be finalized following the visit of the GF.

Other major steps to be undertaken include:

- the full development of the procurement and supply management chain tool,
- finalization of the fund flow mechanism,
- development of the M&E tools,
- completion of the SR project review,
- finalization of the UN joint support to the National Programmes
- establishment of the PR office and the continuing recruitment of the PR team.

The PR reported that the **HIV grant** included insufficient amounts for the transport of commodities from producer to port. These costs needed to be added again to the budget. In addition there is a need of about US\$300,000 for the renovation of storage facilities. After inserting the costs for these items, the total saving of the HIV proposal amounts to 3.7% of the upper ceiling approved by the GF Board.

The **TB grant** requires an estimated US\$200,000 for the renovation of storage facilities. After adding these costs to the budget, the total savings amount to 10.16% of the upper ceiling approved by the GF Board.

The **Malaria grant** requires an estimated US\$200,000 for the renovation of storage facilities. After adding these costs to the budget, the total savings amount to 0.5% of the upper ceiling approved by the GF Board. In the case of Malaria, the final amount is higher than the upper ceiling approved the TRP. The M-CCM is requested to raise this with the GFATM.

Discussion:

Julia Kemp, DFID, commended everyone for the hard work that had gone into the grant negotiation. She raised the issue that the MESST reports and draft grant agreements should be submitted to the M-CCM as part of its oversight role.

Paul Sender, Merlin, supported this request. The wide range expertise available among M-CCM members provides an opportunity for sound review of technical documents.

Markus Bühler, UNAIDS, explained that the MESST reports were circulated to the participants of the workshops for comments. The participants represented largely the constituencies of the M-CCM and representatives of all SRs were invited. Following the

inclusion of comments the reports were submitted to the GFATM by the M-CCM Secretariat. The reports will be sent to the M-CCM members immediately after the M-CCM.

The Vice Chair added that the Secretariat is burdened with a lot of work and that the funds that may become available from the GFATM to support M-CCM and its secretariat will help to ease this burden.

Dr. Saw Lwin stated that the MoH needed to see the draft grant agreement as soon as possible in order to see the conditions precedent.

Sanjay Mathur, UNOPS, mentioned that a draft of the grant agreements has been sent by the GFATM to the MOH and this issue can be discussed with the forthcoming mission of the GFATM Secretariat.

Dr. Leonard Ortega, WHO, recommended to review the working arrangements of the Executive Working Group. The M-CCM should delegate tasks to the Working Group.

Dr. Ortega inquired what the TRP approved ceiling means and what this implies for the malaria grant. Clarification will have to be sought from the GFATM mission.

3. Follow up actions on recommendations of 7th M-CCM by Executive Working Group of M-CCM

Dr. Saw Lwin presented the follow up actions of the Executive Working Group since the last M-CCM:

a) The TRP responses for all three diseases had been submitted and they were all accepted.

b) The Executive WG looked into overheads of PRs as requested by the M-CCM. The Executive Working Group made calculations on overhead calculations and presented options that were considerably cheaper and in line with other multi-donor funds. The base line used for calculations were as follows:

	Direct costs	Overheads	Total
UNOPS	20,828,468	11,581,608	32,410,076
STC	8,695,263	4,876,965	13,572,228

In a next step the Executive Working Group calculated different scenarios where:

- 1:** Present way of calculating overheads
- 2:** Based on UN agreements on pass-through funds (and aligned to other funding arrangements, such as the 3DF)
- 3:** As above, but lower percentage for procurement and no provision for procurement if the SR undertakes the procurement.

		Overhead charges applied to different comments			Total Overheads	Overheads as % of direct costs
		Direct costs	SR budgets (without procurement)	Procurement		
UNOPS	1	7%	7%	5.75%	11,581,608	56%
	2	7%	1%	7%	9,879,193	47%
	3	7%	1%	5.75%	8,468,072	41%
STC	1	5%	5%	5%	4,876,965	55%
	2	7%	1%	1%	1,502,390	17%
	3	7%	1%	0%	1,293,529	15%

The Executive Working Group believes that Scenario 3 should be applied since it is in line with existing agreements and reduces costs further. Scenario 2 to is less ideal, but also acceptable.

The PRs were asked if they had comments on the above.

Discussion(Overheads):

Naida Paison, STC, highlighted the responsibility to deliver targets and to ensure smooth implementation of the grant which carries costs. She pointed out that STC has made efforts to reduce the PR budget. Furthermore, STC has a precedence for the 5% from other countries where is acts as PR. Therefore no further reduction in overheads is possible.

Sanjay Mathur, UNOPS, had the opportunity to talk to its Head Office on this topic. The position of UNOPS is that savings were achieved and continue to be achieved. At this point in time they are not able to change their position on overhead rates to be applied.

John Hetherington, PSI, mentioned that it will not be possible to discuss all the details of this complicated issue. The Executive Working Group wanted to present the findings of their inquiry and to point out that there are potential savings here. The Executive Working Group recommends that this is now presented to GFATM.

Dr. Saw Lwin, MoH, supported this. Julia Kemp, DFID, also requested to endorse this proposition. She added that the donors will find it unusual that overheads are being applied by several organizations.

Paul Sender, Merlin, suggested that the Global Fund is asked for guidance in this matter, so that M-CCM can make a final decision.

Discussion(Procurement and potential stock outs):

John Hetherington, PSI, pointed to the need for ordering commodities in time. He suggested to raise this with the GFATM and to explore possible ways to procure as early as possible after grant signature.

Attila Molnar, UNOPS, replied that the possibility of early procurement looks unlikely. The 3DF looks at stock levels and procurement plans are being made from their side to ensure the continuity of supplies. However, it looks like the timelines are very tight.

Andrew Kirkwood, STC, mentioned that it would be helpful to write to the GF to request a first transfer of funds in early October.

John Hetherington, PSI, argued that the possibility of the 3DF to provide buffer stocks could be explored. The M-CCM could also write to the 3DF in this regard.

Julia Kemp, DFID, recalled that there was an agreement that targets for the GFATM are untied for the first. This was agreed by the GFATM to allow the phasing in of the GFATM as well as the phasing out of the 3DF support. This should ensure that there is no need for additional buffer stock.

Paul Sender, Merlin, suggested that there could be a pre-order upon signature of the grants. Sanjay Mathur, UNOPS, replied that this would not be possible.

Decision points:

The M-CCM endorses the proposition to approach the GFATM for guidance on the PR overheads.

The M-CCM endorsed the request that parts of the savings from the HIV proposal are re-invested in increased transport costs for commodities (international procurement). The M-CCM takes note that the total savings of the HIV proposal are now 3.7% (and not 7.2% as previously stated). The M-CCM also endorses the additional costs for storage facilities added to all three disease components.

The M-CCM took note of the draft proposal requesting financial support for the functioning of the M-CCM and its Secretariat. The draft proposal was made available

with the documents distributed to the M-CCM members. The M-CCM agreed that comments will need to be sent to the M-CCM Secretariat by 30 June 2010. After this proposal can be submitted to the GFATM.

4. Presentation on GAVI HSS proposal

Dr. Nilar Tin, Director of Planning DOH, presented the GAVI proposal. The presentation is attached.

Julia Kemp, DFID, thanked for the overview of GAVI and reminded everyone that the M-CCM is also here to look at health initiatives other than the GFATM. She also informed that the GFATM and GAVI have decided that there will be the possibility of developing an integrated HSS proposal as of Round 11. The GFATM Board has also recommended that integrated approaches for child health, maternal health and the 3 diseases can be developed.

Dr. Leonard Ortega, WHO, reiterated the need to look at how to better coordinate between the 3 diseases and other health issues at township level. There is concern that the GAVI grant still has no money flowing. He suggested that M-CCM finds ways to support the unblocking of this grant.

Paul Sender, Merlin, pointed out that the GAVI could be very useful for directing funds of other funding sources in the areas that are most needed.

Dr. Khin Aye Aye, MBCA supported this and added that it is important for the M-CCM to have access to information.

5. AOB

- Markus Bühler, UNAIDS, raised the issue that the GFATM team would like to meet with different ministries. Advice was sought how to arrange for these meetings. After discussion it was recommended that a letter is addressed to the MOH, IHD with the proposed meeting schedule.

- **Global Fund Round 10**

Dr. Leonard Ortega, WHO, raised the issues of applying for Round 10. He noted that WHO could support an application with technical advice, i.e. consultants. The areas that could be covered include:

- Malaria drug resistance
- TB multi-drug resistance
- HIV STI surveillance and further scale up of ART

Dr. Khin Ohnmar San, Programme Manager NAP, expressed the opinion that time is very short and this should be given consideration when making a decision.

John Hetherington, PSI, recognized the existing gaps in service provision and in the availability of funding. However, when applying for Round 10 it should be considered how to comply with all the demands and whether it is possible to develop a proposal meeting all the eligibility and quality criteria. Action required would include: decision on a set of priorities, publication of call for proposals, establishment of a selection and review process, several M-CCM meetings, etc. All this seems difficult given the deadline.

Julia Kemp, DFID, also recognized the large unmet needs in all three diseases. However, she also felt that it is not a particular suitable moment to apply in the midst of grant negotiations. There are a number of issues still to be resolved regarding the implementation of Round 9.

Soe Moe Kyaw, Representative of people living with HIV, advocated to apply for Round 10. He pointed out that there is a need to further scale up treatment since so many people still don't have access to ARVs.

- Markus Bühler, UNAIDS informed the M-CCM that the development of the National Strategic Plan for HIV is proceeding well. The NSP will cover 2011-2015. The narrative part is drafted and the costing for the Operational Plan is on-going. The TSG for HIV is regularly consulted on the progress. Julia Kemp, DFID, suggested that the NSP 2011-2015 is submitted to the M-CCM once the TSG has agreed on it.

Closing remarks

Vice Chair thanks everyone and wishes a safe journey.