
Minutes of the 59th CCM meeting

September 1, 2012

Venue: Ministry of Labor, Health and Social Affairs, CCM Office

CCM Members:

Sandra E. Roelofs - Chairperson of the CCM;

Zurab Tchiaberashvili - Minister of Labor, Health and Social Affairs of Georgia (MoLHSA);

George Tsereteli – Deputy Chairman of the Parliament of Georgia;

Koba Khabazi – Member of the Parliament of Georgia

Irakli Pochkhidze – First Deputy State Minister for Reintegration;

Zurab Vadachkoria – Rector of Tbilisi State Medical University;

David Asatiani – Ministry of Corrections and Legal Assistance (MCLA), Head of Medical Department;

Tengiz Tsertsvadze - Infectious Diseases, AIDS and Clinical Immunology Center, General Director;

Mamuka Japaridze - Director of National Center for Tuberculosis and Lung Diseases;

Khatuna Todadze - Research Institute on Addiction, Deputy General Director;

Akaki Lochoshvili –GPIC, Executive Director;

Lia Tavadze - UNAIDS adviser;

Tamar Sirbiladze – USAID, Senior Health Advisor;

Rusudan Klimiashvili - WHO Country Coordinator;

Tamar Gabunia – USAID Tuberculosis Prevention Project, Chief of Party

Maia Kavtaradze - GOPA/KfW, Project Coordinator;

Zurab Danelia - "TANADGOMA", the Union of Victims of the Conflict in Abkhazia, Executive Director;

Nino Tsereteli - Center for Information and Counselling on Reproductive Health TANADGOMA, Executive Director;

David Ananiashvili - "Georgian Plus Group", Director;

Elguja Meladze - Employers' Association of Georgia, President;

Guests/Observers:

Elena Zaytseva - Fund Portfolio Manager; Eastern Europe and Central Asia;

Mikheil Dolidze - Deputy Minister of Labor, Health and Social Affairs of Georgia;

Marika Gogvadze – Local Fund Agent, Team leader;

Nana Nabakhteveli – Local Fund Agent, Finance Expert

CCM Secretariat:

Eka Iashvili - HIV/AIDS Technical Consultant;

Natia Khonelidze – Administrative Assistant

Agenda

17:30 – 17:40	Opening speech /remarks Mrs. Sandra E. Roelofs , Chairperson of the CCM
17:40 – 17:50	Welcome speech /remarks Mr. Zurab Tchiaberashvili , Minister of Labor, Health and Social Affairs
17:50 – 17:55	Voting for Mr. Mamuka Japaridze, Director of National Center for

	Tuberculosis and Lung Diseases as a new CCM Member
17:55 – 18:10	Projects Implementation Status Mr. Akaki Lochoshvili - GPIC, Executive Director
18:10 – 18:25	HIV Phase 2 Renewal/decision and the way forward Ms. Elena Zaytseva – Fund Portfolio Manager Eastern Europe and Central Asia
18:25 -18:35	Discussion
18:35 -18:45	Establishment of the Oversight Committee Ms. Elena Zaytseva – Fund Portfolio Manager Eastern Europe and Central Asia
18:45 – 18:55	PR issue concerning the GF Grants Implementation Ms. Eka Iashvili – HIV/AIDS Consultant
18:55-19:05	Questions/Answers and Discussion

Sandra E. Roelofs – greeted the participants and thanked them for coming. The Chairperson noted that based on the importance of the items to be discussed it was decided that the session should be convened during the visit of Ms. Elena Zaytseva to the country. While speaking about important developments of the recent period Mrs. Roelofs stressed that September 1, 2012 is the first day of launching a new State Health Insurance Program 2012, which is planned to additionally cover 1 million beneficiaries. In connection with afore-mentioned Mrs. Roelofs herself and the representatives of the Ministry of Labor, Health and Social Affairs (MoLHSA) had visited medical facilities. The Chairperson highlighted the significance of the Program and noted that its effective implementation represents a matter of high importance for the MoLHSA and personally for the Minister. Afterwards, Mrs. Roelofs announced that she had a meeting with Mr. Nicolas Cantau, TGF Regional Manager and Ms. Elena Zaytseva, Fund Portfolio Manager who is overseeing

Georgia Portfolio at the Global Fund Secretariat during Ms. Sandra Irbe's maternity leave. The Chairperson congratulated Ms. Sandra Irbe with her new-born baby-boy. Finally the Chairperson briefly overviewed the agenda and gave the floor to Mr. Zurab Tchiaberashvili.

Zurab Tchiaberashvili – greeted the participants of the meeting and the guest from the Global Fund Secretariat. The Minister briefly overviewed the first day of launching the new State Health Insurance Program and mentioned its paramount importance. He noted that the Ministry delegated 440 monitors to monitor 338 medical facilities. Afterwards Mr. Tchiaberashvili brought to the attention of the attendees the issue of the partnership between Georgia and the Global Fund. He stated that he himself in his capacity of the Permanent Representative of Georgia to the United Nations Office at Geneva had a series of meetings with the GF representatives. One of the meetings had been dedicated to the issue of granting the Global Fund with Privileges and Immunities. The agreement had been signed by the Government of Georgia and further ratified by the Parliament. Afterwards Mr. Tchiaberashvili raised an issue of the goal to become a donor country for the GF set by Georgia. Thus Georgia one more time proved being a reliable partner for the GF.

Sandra E. Roelofs – raised an issue of electing Mr. Mamuka Japaridze, Director of National Center for Tuberculosis and Lung Disease (NCTLD) as a CCM member to vote. She addressed the members with the request to declare presence of the conflict of interest if such exists before vote.

Comment: Mr. Akaki Lochoshvili, Executive Director of GPIC declared a presence of a conflict of interest and thus did not participate in the voting procedure. The conflict of interest form was signed.

Mr. Mamuka Japaridze was elected unanimously as a member of the CCM.

Sandra E. Roelofs – congratulated Mr. Japaridze and wished him every success in all his endeavors. Afterwards the Chairperson raised the issue of the GF's role for the country. Mrs. Roelofs underlined the importance of the GF as a main donor in fighting the three diseases and in strengthening the whole healthcare system in the country. The Chairperson stressed that the CCM Georgia is coordinating not only the projects funded by the GF but all the projects fighting HIV/AIDS, TB, Malaria and other infectious diseases in the country. She noted that successful formula of CCM has become a momentum for creating similar structures in the fields of Reproductive Health and Penitentiary Healthcare. Afterwards the Chairperson presented to the audience the details of the meeting with Ms. Elena Zaytseva and Mr. Nicolas Cantau held in Batumi on August 29. Ms. Eka Iashvili and Mr. Akaki Lochoshvili had attended that meeting as well. The main issues discussed: PR modalities, strengthening of CCM oversight and HIV grant 2 Renewal. Mrs. Roelofs reminded the audience that the country had taken at heart the recommendation of the GF about changing the status of the PR. The CCM made a decision to separate The Global Fund Projects Implementation Team from The Georgia Health and Social Projects Implementation Center and to change its status into an NGO in 2011. The Chairperson mentioned the visits of the OIG to the country. She noted that the work of the PR has been assessed positively and that almost all recommendations of OIG have been addressed. Namely: Law for Narcotics, Psychotropic Substances, Precursors and Drug Assistance, was endorsed by the Parliament of Georgia; GPIC Operations Manual (OM) elaborated with the technical assistance of Curatio International

Foundation was submitted to TGF. A Supervisory Board to the GPIC has been installed and members selected by the CCM. The issue of establishment of the Oversight Committee is being discussed and it is put to the agenda of today's meeting. The Chairperson underlined that the recommendations of the GF are always taken into consideration and addressed by the CCM. Afterwards Mrs. Roelofs brought to the attention of the audience the issue of GEO-H-GPIC grant renewal and concerns raised by Grant Renewals Panel. The Chairperson doubted the statement of the Panel regarding outdated and biased data used in the Request to categorize the grant's progress towards proposal goals and impact. Currently Curatio is working on new data and hopefully they will be available soon. While speaking of alternative PR-ship modalities satisfactory to the Global Fund Mrs. Roelofs reiterated that in line with the GF recommendations the status of the current PR had been shifted from a Governmental to a non-governmental entity and thus that newly established entity became much more effective. One of the options provided by the GF is emergence of two PRs. Mrs. Roelofs underlined the importance of the PR issues and addressed the audience with the request to openly discuss all in-depths aspects of afore-mentioned issue in order to find out the justification of the GF's claims. Finally Mrs. Roelofs gave the floor to Mr. Akaki Lochoshvili and asked him to express his opinion.

Akaki Lochoshvili – stated that his speech will be mainly concentrated around the issues associated with the HIV Grant Renewal. He noted that the approval of the Operational Manual (OM) by the GF has become a long and complicated process. The PR has received a lot of recommendations from the GF Secretariat and all of them have been addressed during elaboration of the document. The first four versions of the OM were created by the PR internal resources while the 5th version was developed with the technical assistance of Curatio. At the time being the OM is not fully approved by the GF. Mr. Lochoshvili addressed the issue of establishment of the Supervisory Board which will act as the supreme body of the GPIC providing independent supervision of the activities of the PR. According to the GF recommendations PR has a right to select 50% of the members of the Supervisory Board. However only 3 members were selected by the PR (2 CCM members and one person with financial background as per recommendation of the GF) and the remaining four have been selected by the CCM. Afterwards Mr. Lochoshvili briefly overviewed the period from April 1, 2011 and stated that it was a very turbulent period for the PR as for a newly established entity. The main achievements of this period are that despite the difficulties the PR ensured continuity of the projects, the two grants have been consolidated during this period, the PR successfully underwent data quality audit, which confirmed that data received from the SRs are reliable. Thus the validity of data which are constantly checked was confirmed by an external review. Afterwards the speaker referred to the issue of the OIG visits to the country and stated that in general the OIG report on Diagnostic Review was positive. The recommendations issued by the OIG are divided into three categories: important priority, critical priority, desirable. Almost all recommendations are addressed by the current time. Mr. Lochoshvili noted that the reporting system that has been criticized by the GF has been significantly improved. The final agreement with the LFA regarding additional supporting documents has been reached. The report has been submitted in a timely manner and is under review. Mr. Lochoshvili noted that all 6 recommendations with regard to procurement had been addressed before issuing of the final OIG report. The rapporteur stated that the PR is going forward and has significant improvements in its performance. Afterwards, Mr. Lochoshvili described the recommendations issued by the Grant Renewals Panel. He underlined that it is very desirable to start conducting external and independent evaluation of the HIV program no later than in October in

order to meet the deadline for resubmission of the grant renewal request. He explained that such evaluation had not been conducted earlier as it had not been categorized as a mandatory requirement for the original Request for Renewal. Afterwards, Mr. Lochoshvili presented to the audience his vision of the GF recommendations regarding changing of PR-ship modalities. He noted that to his point of view such definition implies the notion to change the current PR. He stated that the PR made significant improvements, took into consideration all recommendations of the GF. GPIC is staffed with the same staff that had successfully implemented the GF grants during past years. The changes mainly affected the GF control and requirements. Mr. Lochoshvili noted that decrease of the PR's performance rate is mainly associated with unsatisfaction of the GF of the PR reporting quality to the GF Secretariat. Mr. Lochoshvili stated that he only partially agrees with this comment of the GF. The latest report sent to the GF will reveal if the recommendation is fully taken into consideration or further improvement is required. The precedent of acting of two or more PRs exists in a number of big countries. This option will cause increase of administrative costs and definitely jeopardize proper coordination of the grants. Moreover, undertaken consolidation of the grant will be put under the question in case of fulfilling of this option. Mr. Lochoshvili stated that the reason and the aim of such recommendation are not clear to him.

Mikheil Dolidze – stated that the GF projects are considered being part of the National Program and thus they are internally evaluated. The results of the external evaluation will be very interesting for the MoLHSA. He expressed the opinion of involvement of the MoLHSA in the process of conducting external evaluation in case if such is in line with the GF policy. Deputy Minister expressed his request and hopes that the ToR will be agreed with the Ministry and the Ministry will participate in the process of selection of the expert in order to avoid nomination of the person who is not familiar with country's contextual environment. Mr. Dolidze raised the question regarding the attitude of the GF towards our country. Deputy Minister stated that he had a long year experience of working abroad and thus he is quite familiar with the mechanisms of the GF's work in other countries. The decision of the GF towards our country looks quite unprecedented and creates a force majeure situation for the country. Mr. Dolidze reiterated that the Ministry considers the GF program being an integral part of the National Program of Georgia and perceives an external evaluation to be undertaken as the evaluation of the entire National Program. Hereby Mr. Dolidze thanked the GF for its significant contribution. He referred to the very important issue of renovation of the AIDS Center and stated that the Government stays committed to make its contribution to this project. The Deputy Minister noted that assistance of the GF in these terms is of crucial importance for the country and addressed Ms Zaytseva with request the decision to be made as soon as possible. In case of withdrawal of the assistance for renovation of the AIDS Center the Government of Georgia will spare no efforts to ensure proper infrastructure for the AIDS patients but this option will cause significant compromises including budgetary. Mr. Dolidze stated that emergence of an additional PR will most probably increase administrative costs. Apart from the issue of the number of PRs which represents a technical detail he raised a question regarding clear definition and descriptions of the problems with the current PR identified by the GF and the definition of the reasons that triggered the GF's conclusion on need for the changing of the current PR modalities. As such information is not placed on the GF web-site and the only document available is the final OIG report

(issued after long-lasting and multiple missions to the country that were not able to identify serious problems in PR performing) Mr. Dolidze addressed the representative of the GF with request to share with the MoLHSA such document and stated that confidentiality of the material provided will be observed in case of necessity. Mr. Dolidze raised an issue of relationship between the Global Fund and Georgia. He stated that his subjective perception of the issues discussed is that the excellent relationship between the GF and the country of Georgia is jeopardized and expressed his hope that this difficult period will pass and the attitude of the GF towards Georgia will not alter. He noted that the GF is known as an institution that provides assistance to the patients. He reiterated that Government of Georgia is not in position to abandon its population and will continue to provide the patients with adequate services and it would be desirable to continue fighting the diseases with assistance of such a reliable partner as the Global Fund.

Akaki Lochoshvili – briefly responded to the issues raised by Mr. Mikheil Dolidze. He stated that involvement of MoLHSA in the process of selection of the expert and the elaboration of the ToR won't be in contradiction with the GF regulations. He noted that the ToR will be shared with the Georgian side for revision and comments. Moreover participation of all interested parties (GF Secretariat, CCM, MoLHSA, etc) in the selection process would be highly appreciated taking into account the strict time limitation. Mr. Lochoshvili expressed his hope that the evaluation will be completed by December. The aforementioned is extremely important in terms of possible need for program reallocation and further procedures necessary for final elaboration and submission the renewal request to the GF. While speaking of the precedents with regard to the decision made by the GF for the country he stated that to his knowledge the same response was given to Indonesia through the standard letter that was received by our country. He noted that such decision is extremely surprising in terms of the GF new strategy which envisages reduction of the bureaucracy and more effective implementation of the GF grants. With regard to the issue of renovation of the AIDS Center Mr. Lochoshvili stated that the GF's position is that under the grant agreement the GF will cover the renovation of the building of AIDS Center and not the entire premises of the Infectious Diseases Hospital. He noted that more details will be provided to the audience by Ms. Zaytseva.

Sandra E. Roelofs – thanked the speakers and gave the floor to **Ms. Elena Zaytseva**

Elena Zaytseva - greeted the participants and stated that the message she is going to deliver is not an easy one. Afterwards she described the situation with HIV Grant and the Grant Renewal decision made by the GF Secretariat and focused on the following: the CCM Request for Continued Funding has been received by the GF at the very end of April 2011. The program under review covers a two year period (January 1st 2010 – December 31, 2011). During the afore-mentioned period the HIV grant has been implemented by the two PRs: GHSPIC and afterwards by the current PR. Ms. Zaytseva stated that the key reason of easily acceptance of the transfer of PR status from governmental to non-governmental was that the key staff was intended to continue working under the new PR. The program was reviewed first by the LFA and then by the Secretariat. The review process of HIV grant was done by a number of functional teams (M&E, procurement and supply management team, technical partners, Fund Portfolio Manager and country team). The program was

assessed from several aspects: programmatic performance, financial performance and management. The report of the OIG Diagnostic Review had not yet been received during the review. So the recommendations of OIG were taken into account but they were not key factors that drove the review. The Diagnostic Review led to Investigation that is still ongoing. Based on the results of the review the cumulative rating assigned to the PR was B2. The Georgia case according to the GF procedures was presented to the Grant Renewals Panel, which represents the top management of the GF Secretariat. During the review the Panel identified concerns that were communicated to the country through a standard legally approved document that was signed by the Regional Manager and cleared by the Corporate Legal of the GF Secretariat and the Executive management of the GF. Georgia case represents a rare one but is not an exception. She stated that a number of countries received "No Go" recommendation to the Board. The Georgia application is one of the cases when the Panel decided that it can not recommend any decision to the Board. The Georgian CCM was given the decision to consider resubmitting of the revised request. It's an opportunity given to Georgia to work on deficiencies identified during the review and if agreed submit a revised request. Afterwards the rapporteur focused on the concerns identified during the review process. The first area of concerns was described as follows: lack of reliable and up-to-date impact and outcome data regarding the progress of HIV grant towards the program's goal. The progress data showed unfavorable trends like decreasing level of safe behavior among Most at Risk Groups; increasing and rather high mortality of AIDS patients, very late diagnosis of HIV among MARPs. The concerns led to the recommendation to conduct an external evaluation of the HIV program supported by the GF. Ms. Zaytseva noted that the GF at this point does not recommend the conducting of a comprehensive review of the National HIV Program but only the HIV interventions supported by the GF. The findings of the evaluation will determine the strategic approach for the next implementation period and will justify the activities that can be supported by the GF. The evaluation will cover two areas: impact and outcome data, tendencies in mortality, morbidity, trends in behavior patterns among MARPs and the contribution of the GF investment to those results and how this contribution could be better used in the next implementation period to achieve a better impact and a better outcome. The second area of concern were grant implementation arrangements that were considered being unsatisfactory. Ms. Zaytseva reiterated that it is related to the two years of implementation period (2010-2011) and any development during the later period was not taken into consideration as prescribed by the GF's policy and procedures. The rapporteur stated that the deficiencies identified are related to all management areas: SR management, procurement and supply management, M&E, financial management. The deficiencies identified led to the recommendation to review implementation arrangements both at SR and PR level and to suggest in the new request alternative PR-ship modality. Ms. Zaytseva underlined that this recommendation of the Panel gives a lot of space to the country, to the CCM. Afterwards she presented the different options of GF grant implementation: Dual Track Financing with two or more PRs (the rapporteur agreed with the previous speakers that such modality may lead to increased administrative costs, increased overheads and decrease of the fund available for the programmatic activities, but mentioned that such modality is used in a number of countries). Transparent process of PR nomination is among the options. Ms. Zaytseva noted that alternative PR-ship modality also means substantial reorganization of the current PR modality that can be done through and by strengthening

CCM guidance and support of the current PR. The rapporteur stated that CCM requirement N2 describes in details the PR-ship nomination process. Then Ms. Zaytseva raised an issue of timing and the next steps that can be undertaken to achieve the goals set. She stated that in case the decision to submit the revised request is made by the CCM it should be submitted no later than February, 15 2013. Ms. Zaytseva urged the audience for quick and responsible actions which are very important in terms of the tight timeline. Ms. Zaytseva also noted that implementation of up to 6 months extension of the current Phase I requires the CCM Decision on intention to submit the revised request. If such decision is not made the grant according to current grant agreement will end on December 31, 2012.

Ms. Zaytseva expressed her appreciation for today's important meeting and the open discussion.

Sandra E. Roelofs opened the floor for discussion.

Mikheil Dolidze thanked Ms. Zaytseva and requested to explain what is standing behind the GF recommendations to Georgia and if it indicates a climate change in our relations. He stated that Georgia has been always presented in the international arena as the success story in terms of the GF projects implementation. The recent communication revealed the changes in the GF assessment of Georgia's performance. He referred to the issue raised by Ms. Zaytseva regarding transparent process of PR nomination and asked what is the basis for a conclusion of non-transparency of the process of nomination held in Georgia. He reassured the guest from the GF that the Government of Georgia is committed to transparency and fighting corruption. The Deputy Minister requested again the document describing the findings based on which the GF came to the conclusion articulated by the speaker. He enquired if the Final Report of the OIG is really a final one as it is called or the final document is still anticipated. **Elena Zaytseva** referred again to the 6 CCM requirements that describe the process of PR nomination. She underlined that the GF does not have any concern with regard to the current PR nomination and the transparency of the process is not questioned. The future process and addressing of concerns on arrangements of alternative PR-ship modality and future nomination of the PR are discussed. **Ms. Zaytseva** responded to the remark of Mr. Dolidze and agreed that it is up to the CCM to make a decision whether to change or not the current PR. Regarding the issue of publically available information she noted that the final report of the OIG Diagnostic Review published on August 3, 2012 incorporates all findings and recommendations of the Diagnostic Review. The Investigation is still ongoing and the findings are not available yet. **Mr. Dolidze** stated that the facts presented in the Final Report are not dramatic and asked what particular points of the report provoked the investigation. **Ms. Zaytseva** responded that the OIG represents a separate entity of the GF and thus she is not in the position to answer this question. She noted that the comprehensive Panel review report will be placed on the GF web-site as soon as the Board decision is taken. Currently there is no Board decision on Georgia case as the Secretariat and the Panel can not recommend resubmission request to the Board and thus no recommendation was made and the second opportunity was given to the CCM Georgia to submit the revised request. **Sandra E. Roelofs** suggested that it would be more logic to wait until the results of the investigation are known. The Chairperson noted that conducting of investigation means that there are serious doubts in the GF towards grant implementation in Georgia. If the GF needs time to make sure that Georgia

is implementing their grants in not-corrupt and transparent way the country can wait until the confidence is restored. Mrs. Roelofs underlined that the country will ensure that the patients will not be left without support. Mrs. Roelofs referred to the meeting with the representative of the OIG when it was said that some minor things had been identified by the Review which definitely can not be reason for the investigation and that the word "investigation" was not mentioned. She stated that as it was said OIG is an external and independent unit so it is of mutual interest to wait until the end of the investigation. Mrs. Roelofs underlined that she as the CCM Chairperson would like to be aware of all details of grant implementation and she thinks that everything is under control. The Chairperson reiterated the importance of the confidence and trust. Mrs. Roelofs underlined that the country would like to make business (as humanitarian aid is just as well business) with the partner whom the country trusts and who trusts the country. So Georgia can wait until the end of investigation and can ensure continuation of providing necessary services to the patients. Mrs. Roelofs noticed that all events seem to take place in November, including the nomination of a new Executive Director and that this seems more than just a coincidence. **Elena Zaytseva** noted that the Secretariat does not have the information regarding the timing of completion of OIG investigation and that without the decision of the CCM to submit the revised request the extension can not be done. **Sandra E. Roelofs** stated that such a request can be submitted but reiterated that much more important to restore the confidence of the GF in Georgia. She underlined that the OIG is hired and paid by the GF. The GF is one entity for the country and Georgia being the beneficiary and the sponsor at the same time can have the right to be more pretentious and wait until the end of the investigation and rebuilding of confidence. Hopefully it will be understood by the GF that all of this needs to be clarified for the benefit of the patients and their lives. **Akaki Lochoshvili** stated that the procedures have not been observed by the OIG. The country was not been informed that the Diagnostic Review led to investigation though it was obligatory to inform the country officially. After the first mission of the investigators the PR strongly requested from the OIG to issue a letter describing the status of the mission. The letter that was received by the PR in response to their request did not contain clear information regarding the status of the OIG activities in the country. He inquired about the mechanism that will be used by the Board while taking a decision on HIV grant phase 2. **Elena Zaytseva** explained that the OIG is a separate entity from the Secretariat and the Secretariat does not control their actions. Decision on Resubmission made by the Panel does not need Board approval. Ms. Zaytseva underlined that a lot of concerns were heard during the meetings with the national stakeholders, CCM members, SRs regarding "changing of the PR". She reiterated that the decision of the Panel communicated to the country does not envisage changing of PR but suggests alternative PR-ship modality which gives a lot of options for the country and the CCM. If the CCM believes that current PR has a potential to continue its work with strengthened capacity, with very serious reorganization that could be done within the next few months it also fits to the recommendation provided by the Panel. **Mikheil Dolidze** stated that it looks strange to come up with recommendations of changing something without a clear explanation of the reasons. Mr. Dolidze articulated the concern of the MoLHSA and addressed the representative of the GF with request not to invent non-existing problems to justify the intention of the GF (if such exists) to change its approach (such as withdrawal, phasing down, minimization of the support) over the country. He requested again to share with the MoLHSA the real problems in case of their existence

and reiterated that the country in the most transparent and operational way will act as a partner in solving those problems. Mr. Dolidze asked Ms. Zaytseva to share with all representative parties of the GF all the concerns of the country. **Elena Zaytseva** assured the audience that there are no changes in overall attitude towards Georgia at the GF. Georgia portfolio is known as the most successful over the years. The GF appreciates collaboration with Georgia at various levels. Recently Georgia became the donor of the GF. She reassured the audience that there is no hidden agenda and all concerns were communicated to the country in the letter regarding the Panel's decision. The data behind the concerns expressed in the letter were specified as follows: *Programmatic area*. Decreasing trends in safe sex behavior among MARPs; low coverage of MARPs by HIV services; low testing among MARPs that leads to low detection of HIV cases and rather high rate of mortality among AIDS patients. *Financial performance* that was assessed at the cut off date (December 31, 2011) is 45%. *Procurement and Supply management*. There were a lot of documented delays in procurement. Most of them luckily did not lead to bad circumstances like interruption of the treatment. **Mikheil Dolidze** noted that the country faced one case of interruption of the treatment when the procurement was centralized. **Elena Zaytseva** responded that the mentioned case of stock-out under the VPP happened after the cut off date. She continued her speech and expressed her concerns with regard to fulfillment by the PR of Conditional Precedent of Fund Agreement. The OM was not been developed to the substance and form satisfactory to the GF. The condition related to the renovation of the AIDS Center was not met. The responsiveness of the PR to the GF that includes timelines and quality of the reports/PUDRs is among the concerns of the GF. She noted that she believes that the CCM is aware of all these issues as well as of the problems that SRs had during these years with receiving the funds from the PR due to its oversight functions and all of them were brought to the attention of the CCM and openly discussed. **Akaki Lochoshvili** – commented to Ms. Zaytseva remarks and raised the following issues. He reiterated that conducting of an external evaluation was not categorized as a mandatory requirement. The basis of the evaluation represents BSS study. He stated the Consolidated Grant Agreement was signed with two months delay. Despite this the PR with support of the CCM's decision managed to sign the Grant Agreement with the Sub-Recipient within a few days after signing of the Consolidated Grant Agreement. The agreement envisaged completion of the study by February 2013. Delay of disbursement created some difficulties in smooth implementation of the study. The reason of the low financial performance was delay in the first disbursement. Besides, a presence of the OIG in the country has made the PR nearly non-operational. The only part of the conditions related to the renovation of the AIDS Center that was not fulfilled was evaluation of the condition of the building allocated for the Center by an external expert recommended by the Fund Portfolio Manager who was not accessible for six months since his visit to the country. Mr. Lochoshvili referred to the issue of the OM and stated that the response from the GF regarding the 2nd version was anticipated during eight months. He noted that some sets of the comments from the GF were in contradiction with each other. This fact created additional circumstance that significantly prolonged the process.

Elena Zaytseva – stated that the issues presented were taken into consideration. She noted that the reason of delay in disbursement from the GF that had resulted in delay in procurement was an unsatisfactory quality of PUDRs under the new PR. She added that even the quality of the Request

for Continued Funding was unsatisfactory. She noted that there are reasons the PR to be unhappy with the Global Fund Secretariat. There are a lot of factors that contributed to the current situation in which nobody is perfect: neither GF Secretariat, not the PR. That was exactly the reason why the opportunity to resubmit the request was given to the CCM. **Sandra E. Roelofs** – raised a question regarding delays in CCM funding. As a result the CCM was functioning without funds and the CCM Secretariat worked without salary for months. The things started to move forward when she herself raised this issue during the meeting with Mr. Gabriel Garamillo, General Manager (Mrs. Sandra Irbe also being present). **Elena Zaytseva** responded that the funds can be disbursed only after signing of the Funding Agreement. It was explained to Ms Zaytseva that the CCM is not funded by the expanded window, but by basic funding and the delays had a constant character. **Elena Zaytseva** responded that the amount does not matter and the policy and the procedures are the same for CCM Funding and for disease grant. **Khatuna Todadze** spoke about several months gap in implementation of the programs during 2011, including ongoing prevention programs that had caused a lot of difficulties in their restart due to the problems in recruitment of staff members and especially peer educator IDUs. **Elena Zaytseva** stated that the GF acknowledges the difficulties in implementation of such programs and Georgia does not represent an exceptional case. The GF has a lot of concerns regarding implementation of these programs in the country and they would like to see if funding is received in an adequate way. The difficulties are acknowledged and that is the reason of providing the support to the HIV program in Georgia. The evaluation is needed to see whether the funding and the investment can be better used to achieve a better impact on the HIV epidemic in the country. **Khatuna Todadze** stated that she is proud of the GF grants' performance. As an example she cited implementation of the methadone programs. The first opioid substitution therapy programs were started in the frame of the GF grant that acknowledged as very successful and was further scaled up by the government. The special issue was the methadone program implementation in prisons. There are not many countries in the regions with similar program in the penitentiary system. And the afore-mentioned is a result of huge work of the CCM Chairperson, Members, PR. In 2011 one of the Georgian prisons became a winner of Best Practice Award of WHO for implementation of methadone program (one of the sites of the GF project in Tbilisi). The contribution of the GF is acknowledged and highly appreciated. **Elena Zaytseva** responded that there are some countries in the region, but not many, implementing methadone programs in prison. The achievements mentioned by Ms Todadze as many others like provision of ART, PMTCT are well known and acknowledged by the GF. But the matter of discussion is impact data not process data. The problem is that the data demonstrating the impact of the GF investment on HIV epidemic are not available for the GF. Probably the BSS study conducted by the Curatio will provide these data. That's why the evaluation is needed and these data should be available for this evaluation. Ms. Zaytseva noted that the impact data are very much needed especially taking into consideration that Georgia is receiving GF funding for almost ten years. **Sandra E. Roelofs** expressed her hope the GF representatives have visited Curatio and addressed Ms. Zaytseva with the question regarding the timing of receiving the data. **Elena Zaytseva** responded that the promise is that to complete analysis by November, the MSM study, even draft, will be available only in December. **Sandra E. Roelofs** summarized the discussion and gave the floor to Ms Zaytseva to provide guidance for establishment of the Oversight Committee.

Elena Zaytseva - briefly described the 6 CCM requirements (presentation attached) and brought the attention of the attendees to the following issues: The requirements are the criteria that make CCM *eligible* for receiving funding. According to the CCM guidelines adopted in May 2011 the GF monitors CCM compliance with the requirements during the implementation of the program and CCM should confirm compliance every time when applying to new funding or submitting a request for continued funding. The CCM oversight is requirement #3 of the eligibility criteria. CCM oversight is focused to provide strategic guidance to the PR to ensure that all activities are implemented as planned, all policies are followed and resources are efficiently used. Through the oversight the CCM holds the PR accountable. Oversight means strategic guidance, strategic support but not micro-management. The agreement between the GF and PR provides a legal basis to conduct oversight. PR implements the programs on behalf of the CCM and that's how the CCM keeps PR accountable. Oversight ensures coherence with National Strategies and Initiatives, compliance with the GF requirements, fulfillment of the conditions of the grant agreement. One of the very popular and efficient activities is *conducting of site visits*. The key differences between the CCM oversight and M&E conducted by PR were presented as follows: the oversight is done at a strategic level while M&E is done at management level; Assessment by the CCM is undertaken either quarterly, semi-annually or through mid-term reviews, while M&E is done on a daily or weekly basis. So the oversight is neither micromanagement nor neglect. Through the oversight CCM assists PR to identify and solve the problems, suggests alternative solutions, and provides technical assistance to the PR if needed. The questions that should be asked by CCM while conducting the oversight both at implementation and programmatic level were listed. The CCM core functions during the oversight were presented as follows: The CCM should conduct its oversight functions at all stages of implementation starting from proposal development, during grant negotiations. Usually CCM members identify a focal point to take part in grant negotiations, to be present during the meetings of Fund Portfolio Manager or country team with the PR, to be copied in all correspondence between the GF Secretariat and PR during grant negotiations. During the implementation period the Oversight Committee or full CCM review PUDRs and audit reports. It organizes field visits and provides reports based on the results and observations. Preparation of the Periodic Review should be supervised and overseen by the CCM and CCM should confirm its compliance with CCM requirements during this process. The challenges to implement the oversight were specified as follows: possible confusion with oversight and M&E functions, lack of time due to busy agenda of CCM members, late submission of information by PR. The ways to overcome the challenges were presented as follows: PR shares all information with the CCM in a timely manner; the GF updates CCM on its important decisions and issues; LFA debriefs CCM on its findings and is available at all CCM meetings in coordination with the GF Secretariat. It was boldly noted that effective communication between all players is the key factor for the oversight. Afterward the best possible relations between CCM and LFA were outlined. CCM can nominate its member(s) to attend LFA debriefing sessions with PR after PUDR review; LFA is available not just to attend CCM meetings but debrief whole CCM on its findings and observations; CCM members can join LFA during on-site data verification as observers. The role of the CCM Secretariat to support CCM in conducting oversight is very important. The key success factors to support grant oversight were listed. These are: well-informed and fully engaged CCM members and Secretariat staff; regular meetings, verbal

debriefs from LFA (LFA is not allowed to provide CCM or PR with reports in writing); formal oversight structure often called Oversight Committee; GF support to the CCM to conduct oversight visits. The rapporteur stated that the members of the Committee can be CCM members, external to the CCM people (technical experts), SRs (with well managed Conflict of Interest policy as participation in the oversight activities they are implementing is not allowed). It was noted that the participation at the Oversight Committee is voluntarily based and is not paid by the GF grant money. In conclusion Ms. Zaytseva noted that the oversight will bring better dialogue, and early identification of the issues and problems that PR may have during the implementation of the grants and will promote solution of these problems. Through Oversight Committee the CCM can support, guide and provide assistance to PR to implement the grants.

Sandra E. Roelofs – reopened the floor for questions and discussion

Tamara Sirbiladze – enquired if the requirements presented were new. **Elena Zaytseva** – responded that the 6 requirements did not change since their identification at the beginning of creation of the GF. The guidelines to CCM were revised and approved by the Board in May, 2011. The revised guidelines give more information, more guidance to CCM on how to operate. They define requirements (criteria that make CCM eligible for funding), recommendations (good practice that CCM can consider to follow) and standards (good criteria that are higher than recommendations but lower than requirements). Ms Zaytseva noted that the CCM performance is not assessed against standards or recommendations but against requirements. **George Tsereteli** – thanked Ms Zaytseva for her presentations. He asked to identify the reason of the lack of the CCM activity identified by the GF. He further inquired if the reason is absence of the Oversight Committee or if any other reasons exist. Mr. Tsereteli noted that during long years of the CCM functioning no objections or complaints with regard to the absence of the Oversight Committee had been received and why this issue emerged so acute only now. **Elena Zaytseva** explained that the new things about the requirements are that CCM should confirm its compliance with the requirements at the time of Phase 2 Request submission and that the GF Secretariat monitors compliance of the CCM with the requirements through the full grant implementation period. She noted that the Oversight Committee is a formal structure that can be an operational body that implements oversight function considering that the CCM members are high level people with a lot of other obligations. Another issue is the presence of a very detailed oversight plan which serves as a work-plan for the Oversight Committee and the CCM. Ms. Zaytseva mentioned that there are cases when CCMs have a very dedicated staff who implements oversight functions without an oversight committee. She noted that all the issues discussed should not be surprising to the CCM members. **Sandra E. Roelofs** commented that the lack of dedication is really a very surprising element in the statement. Functioning without an Oversight Committee does not indicate a lack of dedication of Georgia CCM. **Ms. Zaytseva** responded that she meant lack of oversight not dedication. She continued and noted that one of the reasons is absence of the Oversight Committee. Another reason is that the Request for Continued Funding did not contain any information that may give confidence to the GF that the issues PR had experienced during these two years were brought to the attention of the CCM, were properly

discussed and if the CCM provided guidance and support to the PR. **George Tsereteli** based on his long experience of being the CCM member strongly opposed this opinion. He stated that at every CCM meeting all acute issues are discussed with active involvement of the members. Mr. Lochoshvili presents at every meeting and provides the members with all details of project implementation status. **Elena Zaytseva** – asked at what point of time CCM members received the PUDR from the PR. **Maya Kavtaradze** responded that PUDRs are sent to the Secretariat and any member can review them. **Tamara Sirbiladze** noted that the requirements listed represent rather hands-on management than oversight. 18 year experience of managing different projects in different countries gives her the basis for making such a statement. Ms. Sirbiladze mentioned that the requirements listed represent her official duties as of a managing officer of the USAID. She expressed serious doubts that any country is in full compliance with the requirements to the degree of the details presented. Responding to the remark of Ms. Zaytseva on strategic character of the oversight she underlined that the strategic level is provided by the CCM and that is exactly what is done. For this purpose CCM Georgia became one National AIDS/TB and Malaria coordinating authority that coordinates not only the projects of the GF but other projects countrywide. **Elena Zaytseva** stated that there is a lot of confusion between M&E and oversight and the oversight is a really challenging issue for all CCMs especially for those ones that were created at the beginning of the GF grants. The expectations from the CCM in the area of the oversight became more detailed than in previous years. The details of the oversight were clarified only last year. **Ms. Sirbiladze** added that this was exactly the question she put earlier to Ms. Zaytseva. **Ms. Zaytseva** further explained that the creation of the Committee is not a requirement, the requirement is providing of oversight and the Committee represents a tool for its implementation. She got back to the issue of PUDRs and stressed that the GF does not expect the CCM members to review PUDRs in detail but PR is legally obliged to provide the CCM with them. The afore-mentioned can be done through the CCM Secretariat. **Maya Kavtaradze** reiterated that PUDRs are sent to the Secretariat. She noted that quality of PUDRs can not be considered being measurable indicators for the oversight. She assessed the CCM Georgia as the best CCM having the best oversight over the grants. She stated that during frequent and long-lasting CCM meeting all acute issues are discussed and further addressed. In case of emergence of any problem the CCM is quick in solving it. The CCM supports and advises the PR on the steps to be undertaken to overcome difficulties.

Sandra E. Roelofs – underlined the importance of the issues discussed. She stated that the discussion will continue among the CCM members, within working groups, CCM meetings. The Chairperson mentioned that there is a very intensive e-mail contact between the PR, other CCM members and the Secretariat. Mrs. Roelofs put the issue of submitting the revised request to vote and addressed the members with the request to declare presence of the conflict of interest if such exists before vote.

Comment: Mr. Akaki Lochoshvili and Ms. Maya Kavtaradze declared a presence of a conflict of interest and thus did not participate in the voting procedure. The Conflict of interest forms were signed.

The decision to submit to the Global Fund revised Request for Renewal of GEO-H-GPIC grant was made unanimously.

Sandra E. Roelofs – thanked Ms. Zaytseva for the open discussion. The Chairperson underlined the importance to look to the future and to be flexible for changing situations.

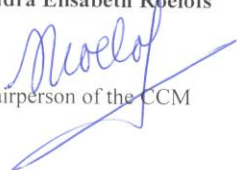
Elena Zaytseva – stated that the decision made gives the GF the legal basis to extend Phase 1 and thus to ensure continuation of services. She thanked the audience for the open discussion and noted that nobody is perfect: neither the PR nor the GF Secretariat. The letter from the Secretariat regarding Panel decision gives the way forward and describes the ways to continue working together. At the end she reassured the audience that there are no changes in the GF attitude towards Georgia and expressed her hope for continued collaboration and good relations.

Sandra E. Roelofs – expressed her hope that the Inspector General will soon come up with conclusions and stated that she will address OIG with a letter requesting an explanation for the change of status to an investigation mission. Mrs. Roelofs noted that hopefully the needed data for the renewal will be provided by Curatio in a timely manner. The Chairperson thanked everybody for having attended and announced the meeting closed.

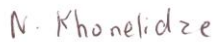
Decisions:

- 1. To accept Mr. Mamuka Japaridze, Director of the National Center for Tuberculosis and Lung Diseases as a CCM member**
- 2. To Resubmit the CCM Request for Renewals: Georgia HIV. Grant Number: GEO-H-GPIC to the Global Fund.**

Sandra Elisabeth Roelofs


Chairperson of the CCM

Natia Khonelidze


Administrative Assistant to the CCM