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Letter from the Interim Executive Director - Cambodia

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Cambodia is a key portfolio for the Global Fund's mission to end the epidemics of AIDS, TB and malaria. The country is the epicenter of artemisinin drug resistance, but an aggressive regional response supported by the Global Fund helped Cambodia reduce malaria deaths to just one in 2016. Together with neighboring countries, Cambodia has set ambitious targets to eliminate malaria, and guard against the threat of global artemisinin resistance.

This important progress against malaria is due in part to decisive action taken by the Global Fund Secretariat to safeguard resources and achieve grant objectives in Cambodia following a 2013 OIG investigation. The Global Fund and our partners were able to use the findings to improve policies and practices, thereby creating greater impact for the people we serve. The most recent audit of Global Fund grants in Cambodia validates this extensive work.

The audit did not identify any ineligible expenses or fraud, and recognizes that "significant improvements have been made in the management of financial and fiduciary risks, and the safeguards put in place by the Secretariat have effectively mitigated those risks."

Some of the specific measures already implemented include:

- Appointment of UNOPS as the principal recipient for the malaria grant.
- Appointment of a fiscal agent to provide assurance and capacity building for the government implementers.
- Adoption of an electronic payment mechanism to address control weaknesses in the fulfillment of monthly allowance payments to approximately 5,000 community workers and village malaria workers.
- The introduction of stringent pre-approved travel plans by the fiscal agent to verify the validity of per diems.

While the implementation of these new measures has slowed the delivery of some services, including activities of village malaria workers, Global Fund investments in Cambodia to date have contributed to significant results across all three diseases. Over 61,000 people are on antiretroviral therapy (about 80 percent of the estimated number of people living with HIV), 7.59 million insecticide-treated nets were distributed to protect children and families from malaria, and over 143,000 people have been diagnosed and successfully treated for TB through Global Fund-supported programs.

The OIG rightly points out there remain opportunities to minimize implementation delays and improve efficiency; build more robust systems for routine data collection, data quality assessments and flow of data; and improve accounting procedures. The Secretariat is committed to updating our own risk and assurance plans for Cambodia, and working with the Principal Recipients and national disease programs to address these gaps.

The OIG notes that programs supported by the Global Fund's health system strengthening grant have faced delays in implementation, largely due to the lack of capacity building for the various implementers. The Secretariat is working with the government and in-country partners to improve the financial and institutional sustainability of the programs.

The Office of the Inspector General is an integral and important part of risk management and controls, conducting independent audits and investigations to complement the active risk management and controls put in place by the Secretariat with oversight by the Board of the Global Fund. I want to thank the Office of the Inspector General for this audit report on Global Fund grants to Cambodia, which identifies progress made and aspects that can be improved. The Global Fund is committed to constantly strengthening measures to increase value for money, and improving the effectiveness of health investments so they can reach the people most in need, in countries and communities all over the world.

Respectfully,
Marijke Wijnroks
Interim Executive Director