

**Three Diseases Fund Board Meeting  
31 March & 04 April 2008  
Nikko Hotel, Yangon**

Chair: Mark Canning  
Minutes: Mikko Lainejoki, Fund Management Office

Board Members:  
EC – Anne Harmer  
SIDA – Britta Nordström  
DFID – Michael O’Dwyer (Friday 04 April only)  
Martin Smith  
Mike Toole

Apologies:  
Nwe Nwe Aye

Observers:  
AusAID - Bernie Pearce

**MINUTES**

**31 March 2008**

AGENDA ITEM	INFORMATION/DISCUSSION	DECISION/ACTION
<b>1. AGENDA OF THE MEETING</b>	The Chair called the meeting to order at 09.00hrs, and welcomed SIDA’s new representative Dr. Britta Nordström to the meeting and Fund Board.	The proposed agenda was adopted.
<b>2. MINUTES OF THE PREVIOUS MEETING – REVIEW OF FOLLOW-UP POINTS</b>	<p>The tasks assigned to the Fund Management Office in the November meeting were all completed except the following:</p> <ul style="list-style-type: none"> <li>• The EC contribution can be requested as soon as the FM can demonstrate that the funds received in September 2007 have been</li> </ul>	<p>The minutes of the November 2007 meeting were approved without amendments.</p> <p>As required the FM has contracted an external service provider to conduct a</p>

	<p>fully utilized. FM to follow up and to ensure early transfer of the second tranche.</p> <ul style="list-style-type: none"> <li>• FM to contract a gender expert for the study.</li> <li>• The FM to draft TOR for engaging a health economist to re-evaluate needs in the three programme areas and their cost effectiveness. The consultant should work through the TSGs as much as possible.</li> <li>• FM to arrange a workshop on indicators mid January 2008 with a small number of FB members.</li> </ul>	<p>financial audit. The report will be available in May 2008.</p> <p>Work in progress, ref. Agenda point 6.</p> <p>Work in progress, ref. Agenda point 6.</p> <p>FB submitted written feedback on the M&amp;E strategy and indicators; FM worked closely with IPs and National Programmes on the indicators.</p>
<p><b>3. RISK MANAGEMENT</b></p>	<p>Summary of key risk areas:</p> <p><b>INTERNAL POLITICAL RISKS (ALSO RELATED TO EXTERNAL POLITICAL RISKS):</b></p> <ol style="list-style-type: none"> <li>1. Operating environment <ol style="list-style-type: none"> <li>a. Able to operate</li> <li>b. Perception outside of Burma/Myanmar</li> </ol> </li> </ol> <p>The Board noted that the overall operating environment is currently more challenging, especially in certain townships.</p> <p>How to mitigate risks:</p> <ul style="list-style-type: none"> <li>• Keep MoH regularly update of progress of NGOs activities in the field and try to seek a meeting between FB representatives and the Minister as soon as possible</li> <li>• Organize meetings with IP and relevant staff from MoH for updates.</li> </ul>	<p>Restrictions in the operating environment have been imposed in the Mandalay Division. The Fund Management office should contact the Mandalay Regional Health Director for a meeting to explore possibilities so that planned 3DF activities could continue at township level.</p>

	<p><b>INTERNAL POLITICAL RISKS:</b></p> <p>2. Registration of organizations receiving funds from 3DF (directly or indirectly)</p> <p>How to mitigate the risk:</p> <ul style="list-style-type: none"> <li>• Keep the local authorities informed.</li> <li>• Trust building with local authorities.</li> <li>• Protect 3DF/UNOPS by including relevant clauses in the agreement with IPs.</li> </ul>	<p>The Board advised the FM office to ensure that all directly contracted partners are duly registered and adhere to their MoU with the MoH.</p>
<p><b>4. STATUS OF EOI FOR ROUND II</b></p>	<p>The FM decided to postpone the closing date for the EoI submissions from 01 April to 01 June 2008 due to the low number of submissions received so far. The Minister was informed of this in March.</p>	<p>The FB endorsed FM’s decision to postpone the closing date for the Round II EoI from 01 April to 01 June 2008.</p>
<p><b>5. CHALLENGES IN MONITORING CBOs</b></p>	<p>In general, many Community Based Organizations (CBOs) operate without proper registration with the Ministry of Home Affairs. In most cases they have submitted an application which has status “work in progress”. They are able to operate because of the informal authorization and understanding from the local authorities.</p> <p>3DF contractual partners must ensure that the CBOs supported with 3DF funds have adequate technical and financial capacity to implement planned activities.</p> <p>The Board noted the importance of developing guidelines for engaging local NGOs/CBOs in the 3DF work.</p>	<p>The FB requested the FM office to conduct a broader systems review on ad hoc basis to document best practices and to learn more of IPs’ management and monitoring mechanisms. The target in 2008 is one INGO and one UN Agency.</p> <p>The results will lead to a set of guidelines on how to i) engage local NGOs/CBOs, both directly and indirectly; ii) effectively monitor fund disbursement to them; iii) effectively monitor their work.</p>

<p><b>6. POLICY DEVELOPMENT AND STUDIES</b></p>	<p>a. Gender Study &amp; Policy paper. The consultant outlined findings to date and presented draft recommendations.</p> <p>b. Gap analysis – financial needs The consultant presented a brief interim report.</p> <p>c. Gap analysis – financial needs, a comprehensive study The Board recognized that due to limitations identified by the current consultant a more in-depth study is unlikely to bring the desired results at this point in time.</p> <p>d. 3DF policy on referrals The suggested policy allows support to patients using public health facilities at Township level or below in the form of provision of in kind drugs, medical supplies, diagnosis, and consumables directly related to HIV, TB and malaria care only.</p>	<p>The final draft report will be disseminated to board members for their comments and endorsement by mid April 2008.</p> <p>The draft report will be disseminated to the board members for their comments by 25 April.</p> <p>The FB decided to put this exercise on hold.</p> <p>The board endorsed the proposed policy.</p>
<p><b>7. FUNDING SITUATION</b></p>	<p>The FM office gave a brief update on the current funding situation. The uncommitted funds available as of 21 March 2008 were USD 4.5 million. The confirmed Swedish, Australian and UK contributions scheduled for March/April will allow the FM office to sign all Year 2 extensions effective as of 01 May 2008 at the same funding level as in 2007.</p> <p>In order to scale up activities in 2009 and 2010 the FB and FM must find new partners and/or new contributions from the existing donors.</p>	<p>The FM was requested to follow-up closely the transfer of funds for the May agreements.</p>
<p><b>8. CONTRACT AWARDS, YEAR 1 TO YEAR 2</b></p>	<p>The FM office has developed a comprehensive methodology to assess the performance of each partner during the first year of implementation. The approach to assess quality and coverage of 3DF-funded project activities will be done using a scorecard which uses a selected set of quantifiable measures from different domains.</p>	<p>The FB requested the FM office to provide a summary of Year 2 contract extensions based on FM’s comprehensive review of partners’ performance during the first year.</p>

	<p>The domains assessed include:</p> <ul style="list-style-type: none"> <li>• Implementation rate</li> <li>• Capacity to plan and implement</li> <li>• Capacity to achieve results</li> <li>• Quality of reports</li> <li>• Quality of implementation</li> </ul> <p>The unspent portion of Year 1 grants will be redistributed to best performers</p>	<p>The FB requested the FM to provide a brief summary of the performance evaluation reports.</p> <p>The FB agreed to approve the Year 2 contract extensions based on the proposed summary.</p>
<b>9. LNGOs/CBOs &amp; FEEDBACK MECHANISM</b>	<p>The FM briefed the Board on the plan to involve more local NGOs/CBOs in the 3DF work. The first step, issuing a call for Expressions of Interest for Round II, was issued in February and has a new closing date of 01 June.</p> <p>In order to support the effective implementation of future NGO/CBO activities and establishment of a community feedback mechanism, the FM proposed to set up a small Field Support Unit consisting of national staff members.</p>	<p>The FM was requested to go ahead with the plan to hire staff for the Field Support Unit.</p>
<b>10. BUDGET REVISION</b>	<p>The FM presented a revised budget for 2008 and provided clarifications to the Board.</p> <p>The weakening US dollar impacts especially the HR budget, but on the other hand all contributions to 3DF are non-dollar based and increase the dollar value income of the Fund by some \$2 million in 2008.</p>	<p>The FB noted the proposed budget revision and will seek approval from the Donor Consortium.</p>

<b>11. FUND FLOW MECHANISM</b>	The FM introduced the strategic options for 3DF fund flow arrangements to township level activities by National Programmes	The FB agreed to continue supporting the current mechanism and to work towards eventual handover to civilian administrations at township level, once the transparency and capacity issues have been demonstrated to the satisfaction of the FM.
<b>12.0. REVIEW MEETING</b>	The FM explained to the board members arrangements for the annual review meeting. It was agreed to keep the presentations short and crisp and allow max. time for reflections and discussions.	FB& FM to record the key conclusions and recommendations in an Aide Memoire to be drafted on Thursday 03 April and to be endorsed in the Donor Consortium meeting on 04 April
<b>13. PROCUREMENT AND COMMODITY TRACKING</b>	A Request for Proposals was sent to three local companies who indicated their interest in the possibility of competing for a Commodity Tracking Review contract. The plan is to include 8 IPs in the first commodity tracking review. The exercise will take place in Shan State and is scheduled for May 2008.	The FM was requested to provide a brief summary report for the August board meeting.
<b>14. AUDITS</b>	<p>The FM shared the TOR for both FM and IP audits and briefed the Board on the current status:</p> <ul style="list-style-type: none"> <li>• The 2006 FM audit report has been finalized with overall rating of satisfactory.</li> <li>• The 2007 FM audit will be conducted in April in two phases, first in Bangkok and then in Yangon.</li> <li>• The 2007 IP audits are in progress, copies of the reports are anticipated to be available latest in June.</li> </ul>	UNOPS HQ will inform donors of the audit results.

<b>15. 2<sup>ND</sup> PROGRESS REPORT</b>	The compilation of the second progress report covering the period of 01 July – 31 December 2007 was deferred to April/May due to the annual review meeting and Year 2 contract negotiations. A new detailed time schedule was presented to the board members. The final draft report will be shared with the FB 31 May.	The FB noted the new timelines for the 2 <sup>nd</sup> progress report.
<b>16. FUTURE PLANS</b>	<p>a. Mid term evaluation External evaluators will be commissioned by the FB to undertake a mid-term evaluation of the Fund's performance. The evaluation itself will be conducted in June 2009.</p> <p>b. 2009 Annual review The second annual review meeting will be held in 2009 in June to allow the FM to focus on the 4<sup>th</sup> progress report and Year 3 contract extensions in March-April 2009.</p>	The FB requested the FM to schedule a meeting with the evaluators back to back with the annual review meeting in June 2009.
<b>17. AOB</b>	<p>a. Annual report The reporting requirements from the Fund Management office to the board require a narrative progress report every six months covering the previous semester. It is felt that an annual report capturing key results and stories for the whole first calendar year (2007) would be beneficial to the public and other stakeholders. This would also increase the Fund's visibility and accountability within communities in Burma/Myanmar, and outside.</p> <p>b. Board meetings: The FB discussed preliminary dates for the next board meetings and related key activities in 2008 and 2009:</p>	<p>FB requested the FM office to compile an Annual Report on 2007 activities.</p> <p>2009 Board meeting dates to be agreed in the 28 August FB meeting.</p>
	The meeting was adjourned at 16.45hrs.	

**Friday 04 April**

AGENDA ITEM	INFORMATION/DISCUSSION	DECISION/ACTION
<b>SUMMARY OF CONCLUSION AND RECOMMENDATIONS FROM THE ARM</b>	<p>A team from FB and FM prepared a draft summary of FB's conclusions and recommendations emanating from the Annual Review Meeting on 3 April. The members of the board suggested some changes and additions.</p> <p>The FB commended the FM staff for the organization of an excellent annual review meeting.</p>	<p>The proposed draft was endorsed with minor changes and corrections, and submitted for Donor Consortium's approval. FM will identify and document specific recommendations made during the ARM by disease and cross-cutting issues.</p>
<b>CLOSING</b>	<p>Michael O'Dwyer was thanked by the Chair for his considerable contributions to 3DF and the Fund Board since the Fund's inception in 2006, and wished well for his forthcoming new post .</p>	