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**Subject: Management Letter for the Progress Update 9 for the grant SER-910-G07-T**

### **Management Letter**

Dear Ms Čukić

We have completed our review of the 9<sup>th</sup> progress update covering the period of 1 July – 31 December 2014 submitted under the SER-910-G07-T grant.

Below is the summary of the key issues that we have identified in the course of our review and questions that we would like you to address.

#### **A. PROGRAMMATIC PERFORMANCE**

There were 5 indicators rated during the reporting period. All indicators except for one were either overachieved or met. The average performance of the Top Ten indicators was 78% and the All indicators rating is 82%.

The Global Fund Grant Rating tool generated a B1 quantitative rating that reflects the PR's efforts and the subsequent progress towards the strengthening and expanding the access to diagnosis and treatment of TB and MDR-TB patients.

There was only one indicator that was not achieved. The indicator "*Percentage of contacts of Roma smear positive TB patients referred to TB unit and examined for TB out of all contacts of smear positive Roma identified during the period*" did not yield any results in this reporting period. Please see section **C. Grant Management Issues and Recommendations** for the follow up.

#### **B. FINANCIAL PERFORMANCE**

For this reporting period the utilisation rate of the budget was nearly 84% and the cumulative utilisation rate was 92%.

The overall cumulative variance of USD 126,610 is explained by the following:

The variance at the PR level, USD 107,388:

(USD 76,041) – overexpenditures on Human Resources, Technical Assistance, Training, Infrastructure and Other Equipment, Living Support to Clients, Planning and Administration, M&E, Communication Materials and Overheads budget categories.

USD 179,263 – savings on Human Resources, Technical Assistance, Training, Infrastructure and Other Equipment, Communication Materials, M&E, Living Support to Clients, Planning and Administration and Overheads budget categories.

USD 2,069 – commitments on Human Resources, M&E and Overheads budget categories.

USD 2,097 – delayed activities under the M&E and Planning and Administration budget categories.

The variance at the SRs' level, USD 19,221:

(USD 39,974) – overexpenditures due to various approved reallocations and also on Training, Human Resources and Planning and Administration budget categories.

USD 59,195 – savings on M&E, transportation costs, Training, Human Resources and Planning and Administration budget and also on Living Support to Clients budget categories.

The cash balance at the end of the reporting period is USD 240,892.

### C. GRANT MANAGEMENT ISSUES AND RECOMMENDATIONS

1. No results were reported under the following indicator "*Percentage of contacts of Roma smear positive TB patients referred to TB unit and examined for TB out of all contacts of smear positive Roma identified during the period*". The following explanation was given in the comments box: "Due to the encountered challenges in the activity that envisage to investigate all contacts during the same reporting period when the index case is identified, the reporting arrangements have been changed: number and percentage of contacts of Roma SS+ TB patients identified for example in Semester 1 will be reported in Semester 3. The change was applied in P10, hence P10 data was reported in P11 reporting period and so further; P11 data was reported in P12 reporting period, P12 data is reported in P13 reporting period, P13 data will be reported in P14 reporting period. However, the Red Cross organizations in Serbia have not been contacted by TB Units to assist in contact tracing in the P12 so there are no results to be presented in this reporting period."

The same reason was given during the last reporting period.

**Follow up required:** We believe the Red Cross, its branches and their coordinators should be more proactive in collecting the information under this indicator. The SRs and the Red Cross should be more active and reach out to the TB units themselves. There could be various potential reasons for not fulfilling this indicator. However, we need to know the real reasons which will only be possible after we get the information directly from the TB units. The PR should approach the coordinators of the Red Cross branches to ensure that they contact the

