Accelerating Excellence in Grant Financial Management in Africa: Convergence of funding in Africa at the Institute level

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The Need for a new pan-African standard for “Good Financial Grant Practice”

• Multiple funders provide many million’s of $ as grants to recipients in Africa for a wide range of activities undertaken by NGO’s and research institutes.
• Funders lack shared and agreed mechanisms to assess the financial capabilities of the recipients.
• Neither funders nor recipients have an agreed standard of what represents “Good Financial Grant Practice”
The multiplicity of funding of Research Organisations in Africa
Issues and Challenges

• Duplication of effort by donors within recipients organisations
• Duplication of audits = audit-fatigue of recipients
• Lack of understanding of donor financial guidelines = risk of ineligible expenses
• *Raising standards of financial governance within recipient organisations will*
  – Increase effective use of funds
  – Reduce risk of mis-use of funds
Background

• In Jan’ 2012, an International Financial Governance Consortium (IFGC) was founded by three major funders of Medical Research in Africa, namely:-
  – the Medical Research Council (MRC, UK),
  – the European & Developing Countries Clinical Trials Partnership (EDCTP) and
  – the Wellcome Trust (WT).

• The consortium has expanded to include many European and US funders of research and development aid programmes in Africa.

• The consortium objectives were to find ways for funders to identify a more integrated approach for dealing with the financial management challenges faced by both funders and recipients in Africa.
Accelerating Excellence in Grant Financial Management

The Consortium concluded by identifying two major deficiencies preventing more effective collaboration and cohesion amongst funders and recipients:

1. There is no agreed process for assessing the financial capability of recipients
2. There is no standard or benchmark of what represents "Good Practice" of managing grant funds.
Proposed Solutions

• To develop a Financial Management Assessment Tool (FMAT) that funders will request grant recipients to use to self-assess their financial management capacity,

• To develop “a data base” of the financial competence of recipients, that may be accessed by funders,

• To develop an internationally adopted standard of “Good Financial Grant Practice (GFGP)” for implementation by grant recipients, and

• Adoption of the GFGP standard will lead to a process of certification for institutions such that multiple funders can rely on this certification.
Making it happen

• The Wellcome Trust, MRC and EDCTP have taken the lead and decided to make it happen by investing in a new project to deliver on these deficiencies.

• To enhance the acceptance of the new standard and the assessment tool meeting the requirements of the recipients in Africa it has been decided that the project should be hosted within an African organisation.

• The African Academy of Sciences has been selected for the reasons to be described:-
The African Academy of Sciences

**Vision**
To be a MAJOR player in driving sustainable development in Africa through Science, Technology and Innovation (ST&I)

**Mission**
To mobilize the entire African science and technology community for sustainable development

- Academy of all sciences. Est. 1985; honored ca 300 fellows;
- Strategic partnership with AU, PAU and NEPAD;
- Assets worth $8.5 million - financially stable (Endowment Fund, Secretariat building and estate);
- Lean and efficient organization, with strong leadership and compliance with best international corporate management practices.
AAS pan-African roles

RECOGNISING AND SUPPORTING EXCELLENCE
Promote and foster the growth of community of scholars by recognizing, supporting and enhancing excellence in scholarly research undertaken by African scientists:
• AAS Fellowship
• Prizes and awards: Youth excellence
• AESA

DEVELOPMENTAL PROGRAMMATIC ACTIVITIES
Enhancing Region- and Issue-specific Competencies and Guidance
• Water and Sanitation;
• Sustainable Energy;
• Food Security and Nutritional Wellbeing;
• Health care and Wellbeing;
• Science, Technology, Engineering and Mathematics
• Climate change.

THINK TANK FUNCTIONS
• Providing evidence based advise to policy makers
• Advocate greater support for development oriented research and development
• Undertaking review and foresight studies
• Engaging in debates and supporting African teams in global negotiations
10. …REQUESTS the NPCA in partnership with the African Academy of Sciences to establish and operationalize the Alliance for Accelerating Excellence in Science in Africa (AESA) as a platform to stimulate breakthrough innovations in health to improve the livelihoods of marginalized and stigmatized communities. CALLS UPON Member States, regional and global partners as well as private foundations to support the Alliance in order to strengthen health research and innovation in Africa.
Shifting the paradigm from Audit to Assurance

• Pan-African adoption of the new standard will lead to a process of certification of institutions to GFGP
• Funders and recipients can therefore rely on this assurance scheme that their financial operations meet GFGP standards
• Funders will do less of their own audits and financial assessments,
• It is intended that the GFGP Standard and FMAT tool will be equally applicable to all sectors such of Governmental and Charitable funded national and international AID programmes.
Key Benefits

• Reduction in the burden of audits and associated costs for fund recipients and their institutions,
• Recipients and Institutions will have uniform guidelines and standards to follow,
• A mechanism for sharing the FMAT information among funders, and
• Reduction in costs for funders and increased assurance that their funding is being used as intended
Role of African Organisation for Standardisation

• Discussions with ARSO clarified the most effective development route for a pan African Standard for Good Financial Grant Practice (GFGP).

• Thus, in partnership with the project team at the AAS, ARSO will take the lead in co-ordinating the consensual development of the standard with an appropriate number of representatives from African National Standards Boards, funders, recipients, audit firms and accreditation agencies.

• The Final Draft African Standard for GFGP should be published and ready for adoption on a pan African basis towards the end of 2017.
Thank you