Global Fund Accountability Mechanisms

As a global public-private partnership, accountability is integral to Global Fund operations, from grant-making and procurement processes to data management and service delivery. With its extensive commitment to accountability, the Global Fund is uniquely positioned to deliver strong value for each dollar donors invest.

Co-Financing

One of the fundamental ways in which the Global Fund approaches accountability is through requiring countries where its grants are implemented to increase domestic financing for health. In addition to improving the sustainability of health systems, requiring recipient governments to increasingly co-finance the fight against HIV, TB, and malaria helps to ensure greater country ownership over disease responses.

The Global Fund’s co-financing policy consists of two elements: a requirement and an incentive. First, the Global Fund requires countries to commit to increase government spending on health overall and on Global Fund-supported programs. These commitments are a prerequisite for a country to access its Global Fund-allocation. Second, the Global Fund withholds at least 15 percent of a country’s allocation to ensure that countries meet their commitments to increase their financing. The Global Fund encourages countries to focus their increased funding on building sustainable health systems and planning for a transition from Global Fund assistance.

If countries do not meet these requirements then the Global Fund may reduce the grant allocation. For example, the Global Fund withheld its co-financing incentive funding from Nigeria’s 2014-2016 allocation, reducing its overall allocation by $170.6 million. This reduction demonstrates the Global Fund’s commitment to holding governments accountable and encouraging them to take greater ownership of their disease responses.

Grant Performance

The Global Fund’s 2017-2022 strategy focuses on maximizing the impact of investments for HIV, tuberculosis and malaria. This requires that the Global Fund Secretariat be able to ensure that each dollar invested goes towards its intended purpose. To this end, the Global Fund relies on Local Fund Agents (LFAs) to work with the Secretariat to evaluate and monitor activities before, during and after a grant has been implemented. LFAs assess the capacity of a potential principal recipient, ensure the proper use of grant funds, and verify results and data.

As an additional layer of accountability, the Global Fund also utilizes the Technical Evaluation Reference Group (TERG). An evaluation advisory group reporting to the Global Fund Board, the TERG independently evaluates the Global Fund business model, investments and impact. In 2017, the TERG began to take a closer look at the implementation, effectiveness and impact of Global Fund-supported programs in selected countries. The TERG also conducts thematic reviews and offers recommendations to the Global Fund Board.
One such review was conducted on malaria elimination in southern Africa where the Global Fund has two on-going grants. At the Board Meeting in May 2018, the TERG recommended that one of the grants be continued as it represented a promising public-private partnership in the region, while the other grant would require modifications to streamline its governance. The TERG reviews play a critical role in ensuring that any underperforming grants are identified and brought to the attention of the Global Fund Secretariat.

**Office of the Inspector General**

The Global Fund Office of Inspector General (OIG) plays an important role in safeguarding investments made by all donors in the Global Fund, including the United States. Through its audits and investigations, the Global Fund OIG promotes best practices, reduces risk and identifies instances of fraud relating to Global Fund programs. This ultimately supports the Global Fund’s impressive record of recovering resources in the limited number of cases in which the OIG has found funding to be misspent or misused. As of February 28, 2018, 98 percent of the outstanding recoverable amounts had either been returned, or the Global Fund had received written commitments for repayment of the misused funds.

In addition to direct returns and written commitments, the Global Fund also can use a two-for-one allocation reduction when other recovery approaches have failed. In 2017, the Global Fund used this accountability tool in five instances to resolve $2.2 million in outstanding recoverable amounts. In each of these cases, the Global Fund reduced a country’s allocation by two dollars for every dollar that the Global Fund sought to recover.

For example, the Global Fund OIG identified $120,974 in unsupported expenditures in Kyrgyzstan. After the Global Fund communicated that a failure to reimburse this amount in full would result in a reduction of its allocation and heard no response, it deducted $241,948 from its overall grant to Kyrgyzstan in October of 2017.

OIG investigations also ensure that those individuals who are responsible for the misuse of Global Fund resources are held accountable. In one recent example, after the Global Fund was alerted that donor-financed commodities had gone missing in Zambia, the OIG launched an investigation with the full cooperation of the Zambian government. As a result of this investigation, senior managers of the agency overseeing the warehouse where the stock losses occurred were replaced, and the warehouse set up new stock controls and security arrangements. The Global Fund also helped to create a multi-agency national task team that led to the arrest of seven individuals, and continues to work to recover the lost funds.

**Conclusion**

The Global Fund raises and invests nearly $4 billion each year to fight HIV/AIDS, tuberculosis and malaria. With its prudent management of donor contributions, the Global Fund partnership has been able to save over 22 million lives to date. As the Global Fund’s sixth replenishment conference approaches in 2019, the U.S. can be confident that it will see a strong return on its investment in the Global Fund while providing critical leadership to end the world’s deadliest epidemics for good.