



Independent observer  
of the Global Fund

## GLOBAL FUND RATES IN BOTTOM THIRD OF MULTILATERAL ORGANISATIONS IN AUSTRALIAN AID REVIEW

Fund rated “strong” in results and relevance, but only “satisfactory” in organisational behaviour

Leadership and human resources policies assessed as “weak”

One year after receiving a high score in the UK’s Multilateral Aid Review (MAR), the Global Fund received a very mixed report card in the Australian Multilateral Assessment (AMA). The Australian aid agency AusAID rated the effectiveness of 42 of Australia’s multilateral partners, and placed the Global Fund in the bottom third of the group. (However, the AMA assessment was conducted before the reforms introduced earlier this year by the Global Fund’s General Manager had a chance to take effect.)

The AMA rated the effectiveness of the 42 organisations in seven areas; three related to results and relevance and four related to organisational behaviour. The AMA said that there are two groups of organisations that, overall, scored better than the Global Fund. Thirteen organisations were rated as very strong or strong across at least six of the seven areas and were not rated as weak in any area. “With these organisations, the Australian government can have a high degree of confidence that increases in core funding will deliver tangible development benefits in line with Australia’s development objectives, and that the investment will represent good value for money,” the report said.

A second group of 16 organisations rated very strong or strong in at least four of the seven key areas. The Global Fund rated very strong or strong in only three areas. The Global Fund rated “strong” in the three “results and relevance” areas (placing it in the top ten of the 42 organisations), but only “satisfactory” in the four “organisational behaviour” areas (placing it in the bottom six of the 42 organisations).

The organisations that performed best overall were the International Committee of the Red Cross, the World Food Programme, the World Bank and GAVI. The poorest performing organisations, according to the survey, were UNESCO and the Development Programme of the Commonwealth Secretariat. AusAID said that all of the organisations assessed need to improve cost-effectiveness of their programmes and pay more attention to value for money.

AusAID said that it conducted this assessment because the government channels an increasing percentage of its total aid through multilateral agencies. In 2010-2011, total funding to the 42 multilateral organisations included in the AMA was \$1.6 billion, or around 37% of Australia's overseas development assistance. The Global Fund is the fifth biggest receiver of Australian aid.

AusAID assessed whether the work of the multilateral organisations is aligned with Australia's priorities and whether they are delivering results in poverty reduction. The Global Fund was rated "strong" in both areas. However, the Fund's leadership and human resources management were graded "weak."

Although the panel rated the Global Fund's performance in "results and relevance" as "strong," it nevertheless criticised its results framework because, it said, the framework primarily measures processes and inputs as opposed to outcomes or impacts.

The AMA noted that the Global Fund is currently undergoing fundamental reforms. "The nature of these reforms means the findings and ratings in this assessment should be regarded as subject to significant change should the reforms prove successful in increasing effectiveness over coming years," the report said.

The AMA findings with respect to the Global Fund are summarised in the table below.

Table: Australian Multilateral Assessment ratings for the Global Fund

| Category                                                         | Very strong | Strong | Satis-factory | Weak |
|------------------------------------------------------------------|-------------|--------|---------------|------|
| <b>RESULTS AND RELEVANCE</b>                                     |             |        |               |      |
| 1. Delivering results on poverty and sustainable development     |             | X      |               |      |
| Delivers results                                                 | x           |        |               |      |
| Monitors and reports results                                     |             |        | x             |      |
| Targets poorest                                                  |             | x      |               |      |
| 2. Alignment with Australia's aid priorities, national interests |             | X      |               |      |
| Supports Australia's objectives                                  |             | x      |               |      |
| Aligns with strategic goals of aid programme                     | x           |        |               |      |
| Focuses on cross-cutting issues                                  |             | x      |               |      |
| Effective in fragile states                                      |             |        | x             |      |
| 3. Contribution to wider multilateral development system         |             | X      |               |      |
| Promotes coordination                                            |             | x      |               |      |
| Makes a critical difference                                      | x           |        |               |      |
| Promotes knowledge, policy or innovation                         |             |        | x             |      |
| <b>ORGANISATIONAL BEHAVIOUR</b>                                  |             |        |               |      |
| 4. Strategic management and performance                          |             |        | X             |      |
| Clear strategy and plans                                         |             |        | x             |      |
| Effective governing body                                         |             |        | x             |      |
| Uses monitoring and evaluation systems                           |             |        | x             |      |
| Effective leadership and human resource policies                 |             |        |               | x    |
| 5. Cost and value consciousness                                  |             |        | X             |      |

|                                            |   |   |   |   |
|--------------------------------------------|---|---|---|---|
| Management scrutinises costs               |   |   |   | x |
| Cost effectiveness a focus of programmes   |   |   | x |   |
| Challenges partners on value for money     |   |   | x |   |
| 6. Partnership behaviour                   |   |   | X |   |
| Works effectively with others              |   |   | x |   |
| Aligns with partner priorities and systems |   |   | x |   |
| Provides voice for stakeholders            |   | x |   |   |
| 7. Transparency and accountability         |   |   | X |   |
| Routinely publishes information            | x |   |   |   |
| Clear process for resource allocation      |   |   |   | x |
| Strong accountability mechanisms           |   |   |   | x |
| Promotes transparency of partners          |   | x |   |   |

## Differences between Australian and British reviews

Although there were differences in the way the Australian and British reviews were structured, some comparisons are nevertheless possible. The biggest difference between the two reviews is in “Transparency and Accountability,” where the AMA graded the Global Fund “satisfactory” but the MAR rated it “strong.” The MAR praised the Fund for being a “driver for a range of innovations in transparency.”

The AMA sees room for improvement in the results framework of the Global Fund, but the MAR found that “the Fund is a results-focussed organisation; the quality and depth of reporting is very high.” Despite being more critical of the Fund overall, the AMA rated its performance in terms of targeting the poor stronger than the MAR.

Both assessments concur on the Global Fund’s weaknesses in dealing with fragile states, which lack the capacity for dealing with the Fund’s model of “country ownership,” and for whom the Fund has no special policy.

The assessment of the Global Fund done by AusAID’s AMA is available [here](#). The full AMA report is available [here](#). GFO reported on the UK’s MAR in [GFO 141](#).

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