



Independent observer
of the Global Fund

2015 WORKPLAN AND BUDGET APPROVED

The Board has approved a detailed corporate workplan for 2015. The Board also approved a 2015 operating budget of just under \$300 million.

Workplan priority areas

The Global Fund has established eight priority areas for the 2015 workplan, as follows:

Implement and optimize the funding model. The emphasis in 2014 has been on the allocations, country dialogues and concept note development. In 2015, the focus will shift somewhat to grant-making.

Greatly improve results and impact measurement. In 2014, approaches to measuring results and impact were significantly revised. These new approaches will begin to be implemented in 2015.

Increase value for money (VFM) and synergies of investments. The goal for 2015 is to make further gains on sourcing and procurement and to extend the VFM approach to other stages of the grant lifecycle.

Implement the new risk assurance measures developed in 2014.

Expand the scope of work on sustainability. In 2015, work on financial sustainability will continue. In addition, work will be done on how the Global Fund can best meet the needs of countries at different stages of the development continuum.

Strengthen governance. Many of the changes to governance structures approved by the Board at its meeting on 20-21 November will be implemented in 2015.

Upgrade capabilities and efficiency of Global Fund resources. Further enhancement of the Funds IT

platforms will continue in 2015, with a particular emphasis on the grant management platform.

Prepare for new Strategy and the 5th replenishment. Although the new Strategy and the 5th replenishment are scheduled for 2016, most of the development work will occur in 2015.

Workplan priority and recurring activities

The largest section of the 2015 workplan is devoted to a description of priority and recurring activities for each of the strategic objectives and strategic enablers in the 2012-2016 Strategy. The following are some of the highlights:

- As part of the Key Populations Action plan, the Fund will work with technical and civil society partners to support the meaningful engagement of adolescent girls and women in the country dialogues.
- A methodology will be developed to shift resources from grants with low rates of expenditure to grants that are having a bigger impact.
- As part of the Procurement for Impact initiative, an e-marketplace will be piloted that will give buyers access to negotiated prices that up to now have only been available through the pooled procurement mechanism.
- The Global Fund will work with partners and manufacturers to establish three regional rapid supply centers. This will reduce the time it takes to resolve emergency product shortages from months to just a few weeks.
- The Fund will work with countries on including technically sound human rights interventions in grants, mitigating human rights risks and managing complaints of violations.
- In preparation for the 5th replenishment, the Fund will work with partners to update the resource needs assessment that was developed for the 4th replenishment.
- The Partnership Forum will take place in 2015. It will likely consist of four regional fora held between April and October to seek input on the development of the 2017-2021 Strategy.

Day-to-day management of the portfolio of 348 grants forecast to be operational at the start of 2015 is the mainstay of the Secretariat's work. Reviewing annual funding requests and progress updates, making commitment and disbursement decisions and dealing with the range of other activities supporting grant implementation and country level partnerships takes up more than 40% of the operating expense budget.

2015 operating budget (OPEX)

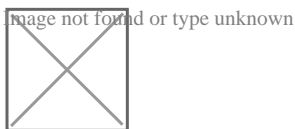
The Board approved a 2015 OPEX budget in the amount of \$299.8 million, which is almost identical to the budget approved in 2014. Actual expenditures for 2014 are expected to come in at about \$4 million below budget.

The OPEX budget has been stable at about \$300 million since 2013; prior to that the budget had been going up each year, increasing from \$226 million in 2009 to \$308 million in 2012.

The 2015 OPEX budget includes \$16.4 million for the Office of the Inspector General.

See Figure 1 for a breakdown of the 2015 budget by functional area.

Figure 1: 2015 OPEX budget by function



Notes:

1. Grant Management includes all Grant Management division except LFAs fees
2. Support Functions and governance departments include: Communications, Legal, Finance, IT, Governance, HR, Sourcing, Administration, ED office and restructuring costs (HR); it excludes the Risk department.

Source: Global Fund document GF-B32-03

LFA (local fund agent) costs are budgeted at \$54 million. Professional fees are budgeted at \$38 million, down about 16% from 2014. Travel is budgeted at \$23 million, up almost \$3 million from 2014. Under the NFM, fund portfolio managers and other members of the country teams are expected to spend more time in the field than was the case under the rounds-based system.

Total headcount is 686, of which 303 are in the grant management area. Another 135 are in FISA (financing, sourcing and IT).

Documents containing the workplan (GF-B32-04) and budget (GF-B32-03) are available at www.theglobalfund.org/en/board/meetings/thirtysecond.

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