



Independent observer
of the Global Fund

Board approves 2019 Global Fund OPEX budget of \$302 million

At its meeting on 14-15 November in Geneva, the Global Fund Board approved a 2019 operating expenses (OPEX) budget of \$302 million. This means that the Board has met its commitment to stay within a budget ceiling of \$900 million for 2017–2019.

Staying within the \$900 million ceiling had been viewed as a major challenge because of the projected one-time cost of \$12 million for the move of the Global Fund's offices to the new Global Health Campus in 2018. The 2019 budget exercise was helped significantly by the fact that the actual costs for the move were just \$4.7 million.

The Board also approved a 2019 Corporate Work Plan and Budget Narrative.

The Global Fund is forecasting that actual expenditures for 2018 will come in at \$300 million. (See the figure below for a summary of the budgets and expenditures for 2017, 2018 and 2019.)

Figure: Budget and actual expenditures for 2017–2019 (\$ million)

Source: GF-B40-02B, OPEX 2019 Budget

The 2019 OPEX budget includes \$15.6 million for the Office of the Inspector General.

The major part of the OPEX 2019 budget (\$286.7 million) covers the Secretariat's recurrent activities, which represent the underlying core business of the organization. A further \$15.7 million is designated for areas of work in need of development or work to enhance performance above the cost of recurrent

operations. These funds will be invested in the following five priority areas for 2019 (also outlined by the [Executive Director in his report to the Board](#)):

Supporting a successful Sixth Replenishment. An additional \$2.5 million will be invested in the replenishment effort to cover human resources, meeting and logistics costs; additional travel; and the communications campaign.

Driving impact from the current grant cycle. Additional funding of \$1.4 million will be allocated to further embed activities related to challenging operating environments and sustainability, transition and co-financing in grant management operations.

Preparing for the next cycle of grants. Additional funding of \$1.4 million will cover modelling expertise and consultation.

Enhancing efficiency and effectiveness. Of the \$6.9 million in additional funding for this priority area, \$4.9 million will be allocated to further develop core IT business systems. The remaining \$2.0 million will be invested in upgrading capabilities and organizational structures, including for sourcing and for managing the supply chain.

Investing in people. An additional allocation of \$3.5 million will be used to advance changes to workforce planning and performance management, as well as to support talent development.

See the table below for a breakout of the 2019 OPEX budget by nature.

Table: 2019 OPEX budget by nature (\$000s)

LFA	48,300
CCM	9,500
Secretariat and OIG	231,535
Staff	154,474
Professional fees	24,429
Travel	16,820
Meetings	3,122
Communications	1,352
Office infrastructure	23,222
Board constituency	1,100
Depreciation	7,418
External co-funding	(402)
Total OPEX before non-recurring	289,335
Non-recurring	12,966
Total OPEX	302,301

Source: GF-B40-02B, OPEX 2019 Budget

Until 2012, when it peaked at \$355.7 million, the OPEX budget had risen steadily each year. However, since 2013, it has been almost flat, at around \$300 million per year.

Board Documents GF-B40-02A (2019 Work Plan and Budget Narrative) and GF-B40-02B (Operating Expense Budget 2019) should be available shortly at www.theglobalfund.org/en/board/meetings/40.

Editor's Notes:

- There are minor discrepancies in the numbers in the Board paper on the OPEX budget (Document GF-B40-02B). The decision point that the Board adopted states that the 2019 OPEX budget is \$302 million “as set forth in GF-B40-02B.” A table in the Board document (reproduced above) shows a budget of \$302.3 million. Elsewhere, the document states that \$302.4 million is available for 2019. Some of the discrepancies are due to rounding. ?
- This article is dated 15 November, which is when this article was uploaded into our automated system. The article was not published until 16 November, the day following the Board meeting. This respects our agreement with the Global Fund concerning when we publish articles that are based on the content of the Board papers.

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