



Independent observer
of the Global Fund

THE UK MAY WITHHOLD PART OF ITS £1.1 BILLION PLEDGE TO THE GLOBAL FUND IF PERFORMANCE TARGETS NOT MET

The UK Secretary of State responsible for foreign aid, Ms. Priti Patel has stated that aid earmarked for Global Fund use will come with conditions tied to “performance agreements” which would leave it up to the Department for International Development (DfID) to withhold 10 percent of future donations if certain conditions go unmet. On the new performance agreement, she recently [stated in an article](#): “For the first time this (the agreement) sets out, in black and white, clear requirements for the Global Fund to use our money cost-effectively, transparently, and with a proper focus on results and impact.”

DfID has stated that the Global Fund must follow through on its ‘Prioritized Action Plan’ to strengthen risk management, fiduciary oversight and results monitoring. DfID is focusing on the Fund’s ability to ensure that its risk management and audit functions provide sufficient coverage of high risk programs and expects the Fund’s Office of the Inspector General to provide sufficient oversight and audit functions to ensure accountability by auditing ‘high risk’ countries every 2 years.

The agreement identifies 10 areas which the Global Fund should prioritize for further improvement, one of the identified areas being the rooting out of corruption. Mark Dybul, Executive Director of the Global Fund, said: “We have the knowledge and the tools to end HIV, TB and malaria by 2030, but we need to invest smartly and with focus to make it happen.” This statement would seem to imply that the performance agreement is not necessarily an unwelcome addition to the aid by the Global Fund.

DfID's conditions include the stipulation that the Fund must achieve \$250 million in savings by 2019 and reduce the incidence of HIV in women and girls, including pregnant women and unborn children, by 40 percent. Other criteria include calls for increased contributions from the private sector and for the Fund to follow through on previously-made performance benchmarks already set by the Fund itself.

In a letter to Aidsplan from Ms. Tjin Lim of DfID dated 23 September 2016, Ms. Lim stated "The UK Government believes that the international community has a duty to all of the people affected by the three diseases, and to ensure that the Global Fund continues to be one of the world's most effective aid institutions."

In an e-mail to Aidsplan from Seth Faison, Head of Communications at The Global Fund, Mr. Faison stated: "We welcome efforts to maximize impact of investments in global health, including specific targets set out in the Performance Agreement. It is fully appropriate to include a special focus on preventing the misuse of any funds. The Global Fund has a clear public commitment to a zero tolerance approach to fraud and recovery of funds and will further strengthen its efforts to recover funding when wrongdoing is identified."

This first-of-a-kind move takes the U.K. [Department for International Development's payment by results agenda](#), which is the way in which organizations can only receive funding after achieving impact, to the multilateral arena.

More on the performance agreement can be viewed on the [DfID website](#).

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