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of the Global Fund

Global Fund Board approves Secretariat operating expenses

DECISION POINT: GF/B31/DP04

The Global Fund Board approved operating expenses for the Secretariat in the amount of \$298.8 million in 2014, including \$20.5 million for the Office of the Inspector General. The Board also approved a decision point requesting monitoring by the Secretariat of foreign exchange fluctuations.

In the first decision made during its 31st meeting, held 6-7 March in Jakarta, the Global Fund Board approved operating expenses for the Secretariat for 2014 in the amount of \$298.8 million. The budget includes \$20.5 million for the Office of the Inspector General.

Board approval was based on recommendations from the Finance and Operational Performance Committee.

Approval of operating expenses was contingent on a review by the FOPC of the Secretariat's workplan and key performance indicators.

The operating expenses cover all of the functions for the Secretariat and OIG during 2014, including personnel, operating and travel costs for the institution's 686 full-time staff members. Other costs include support for the country coordinating mechanisms in the 140 Global Fund grant recipient countries; services provided by local fund agents; and governance support functions including the Technical Review Panel and the Technical Evaluations Reference Group.

Staff costs represent some 42% of the annual operating expenses of the Secretariat, a decline of 0.8% over 2013 even though the number of full-time staff increased by 59 people to shoulder the demands of the roll-out of the new funding model (NFM).

Even with a decrease of nearly 10% from a year earlier, the costs associated with the local fund agents represented some 20%, or \$60 million, of the annual operating expenses. Other high value items include professional fees of \$45.8 million and office infrastructure and travel, with budgets of \$23.3 million and \$21.5 million respectively.

Costs for control and assurance functions – including the OIG, LFAs and the Secretariat's own risk department – are responsible for approximately 30% of the total operating expenses.

Monitoring fluctuations in the international currency market have been added to the responsibilities of the Secretariat, in line with the decision approved by the Board.

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