



Independent observer
of the Global Fund

NEW AIDSPAN PAPER EXPLORES THE ROLE OF THE LOCAL FUND AGENT (LFA)

Aidspan on 11 June released [a new paper](#) on the evolving role of the local fund agent (LFA) in the Global Fund's ecology, specifically in relation to in-country oversight of grant implementation.

The paper, 'The Local Fund Agents: A Review of changing roles, functions, and performance from 2002 to date,' is available for download from the Aidspan website.

As a funding mechanism without an in-country presence, developed in part to represent its commitment to country ownership, the Global Fund has had to invent and evolve a system by which grant oversight is provided without incurring high operational costs.

The role and responsibility of the LFA within the Global Fund architecture has not always been well-understood at the country level. That lack of understanding has contributed to a series of misperceptions of what the LFA represents at the national level, and the relationships LFAs are supposed to have with other in-country actors.

The novelty of the approach notwithstanding, LFAs are held to a high standard of operations and performance, with regular monitoring to identify and correct weaknesses. Routine monitoring across the range of countries under LFA oversight has prompted a series of changes in how they function, operate and perform.

Drawing from available published and 'grey' literature, the paper is divided into four sections:

- an overall description of the LFA system, and how it fits within the Global Fund architecture and

- interacts with the national health systems of recipient countries
- general functions of LFAs, including their roles as stipulated in their contracts with the Fund and outside of their mandate as a Global Fund agent
- interactions between LFAs and other Global Fund stakeholders including grant implementers and technical partners
- evolution of performance evaluation of LFA at the country level

LFAs are integral to the Global Fund's model of multi-lateral financing without in-country presence, helping to operationalize performance-based financing by verifying reports and assigning program progress.

Those weaknesses that had been identified in the first 10 years of the Fund's operations have been revised, and new practices and protocols dictating an LFA's role at the country level have been established, specifically related to programming, monitoring and evaluation and procurement and supply management.

A revised online performance evaluation tool , the contents of which are discussed in Aidspar's paper, will help to further improve reporting and communication between the Global Fund and in-country stakeholders, while also helping to improve the performance of the LFAs themselves.

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