



Independent observer  
of the Global Fund

## "Is the Global Fund 'Model' Still Relevant?" - OIG

Is the Global Fund “model” still relevant in the current environment? Should the Global Fund retain or redefine its principles of country ownership, additionality and operating solely as a financial institution? These are some of the “strategic” questions posed by the Global Fund’s Office of the Inspector General (OIG) in a report released recently on lessons learned from audits concluded in 2010.

If the model is to remain as is, the OIG said, the Global Fund will need to consider how best to manage the risks associated with that model. Logically, this could lead to “a more directive and proactive engagement” in grant management at country level. It could also lead to establishing a country presence. The OIG said that the Global Fund should also “fully embrace” risk management, making it an integral part of the grant management process.

The OIG said that the Global Fund should enforce those policies and requirements that have not been implemented at country level – starting with many of the undertakings in grant agreements – and should monitor compliance by implementers. The OIG also recommended:

- that the Global Fund establish minimum capacity standards for principal recipients (PRs), assess the PRs regularly and hold them accountable when things go wrong;
- establish an accountability framework that clarifies the “roles, responsibilities, authorities and accountabilities” of the various players in the Global Fund architecture; and
- put more emphasis on validating the data being reported by implementers.

The OIG said that when parallel systems are established – for example, for procurement of health products – the Global Fund should incorporate clauses in the relevant grant agreements requiring that the PR ensure a transition to national systems within a specified time frame. The OIG said that its country audits have identified concerns about the capacity of PRs that “are not in line with the generally positive

capacity assessments” provided by local fund agents.

The “Report on Lessons Learned from the Office of the Inspector General’s Country Audits” contains numerous other findings and recommendations. The report is available [here](#).

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