GAO
Accountability · Integrity · Reliability

Highlights

Highlights of GAO-07-627, a report to congressional committees

GLOBAL HEALTH

Global Fund to Fight AIDS, TB and Malaria Has Improved Its Documentation of Funding Decisions but Needs Standardized Oversight Expectations and Assessments

Why GAO Did This Study

The Global Fund to Fight AIDS, Tuberculosis and Malaria has approved about $7 billion in grants to developing countries; the U.S. has contributed $1.9 billion. The State Department's Office of the Global AIDS Coordinator (OGAC) coordinates the U.S. government's overseas AIDS programs, with participation from the Department of Health and Human Services (HHS) and the U.S. Agency for International Development (USAID). In 2003, Congress directed GAO to report on the Global Fund every 2 years. This report assesses the Global Fund's (1) documentation of information used to support performance-based funding decisions, (2) progress in implementing a risk assessment model and early warning system, and (3) oversight of the performance of "local fund agents" (LFAs), which monitor grant progress in recipient countries. GAO reviewed the documentation for funding decisions and interviewed key officials.

What GAO Recommends

We recommend that the Secretaries of State and Health and Human Services work with the Global Fund's Board Chair and Executive Director to (1) establish standardized expectations for LFA performance and (2) require systematic assessments of LFA performance and the collection and analysis of performance data. The Departments of State and HHS, USAID, and the Global Fund agreed with our findings and recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-07-627.

To view the full product, including the scope and methodology, click on the link above. For more information, contact David Gootnick at (202) 512-3149 (gootnickd@gao.gov).

What GAO Found

Since our 2005 review, the Global Fund has improved its documentation for decisions to disburse funds and renew grants. The Global Fund now requires that fund portfolio managers more consistently document factors, such as grant ratings and contextual information that support disbursement and grant renewal decisions. Our current review of 80 grant disbursements and 45 grant renewal decisions confirmed that Global Fund grant files consistently contained explanations of the information used in its funding decisions. For example, all grant disbursement files in our sample contained a written narrative explaining the ratings that portfolio managers gave the grants, based in part on reports completed by grant recipients. Although we noted that many of the grant recipients' reports lacked some information needed for disbursement and renewal decisions, Global Fund officials said that portfolio managers obtain this information informally from the recipients or other stakeholders.

The Global Fund did not implement the risk assessment model that it was developing at the time of our 2005 report, because it determined that the model did not accurately identify grant risk. To identify risks that may affect grant implementation, the organization currently relies on elements of its structures and processes, including its initial technical review, disbursement decision-making form, periodic grant ratings, oversight by country stakeholders, information from technical partners, and LFA oversight. Recognizing the need for a more comprehensive approach to risk management, the Global Fund has begun developing a risk assessment framework for the organization that includes an early alert and response system to address poorly performing grants.

The Global Fund has limited access to the information it needs to manage and oversee LFAs because it does not require systematic assessments of LFAs' performance. As a result, the Global Fund has limited ability to determine the quality of LFAs' monitoring and reporting and to identify situations in which more oversight of LFAs' performance may be required. Previously, the Global Fund introduced a tool to assess LFA performance more systematically; however, this effort was unsuccessful, because use of the tool was not mandatory. Numerous sources raise concerns about the quality of grant monitoring and reporting provided by LFAs, particularly their ability to assess and verify recipients' procurement capacity and program implementation.