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United States General Accounting Office  
Washington, DC 20548

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June 7, 2002

Congressional Committees

*Subject: The Global Fund to Fight AIDS, Tuberculosis, and Malaria Has Been Established but It Is Premature to Evaluate Its Effectiveness*

On August 19, 2000, Congress enacted the Global AIDS and Tuberculosis Relief Act of 2000.<sup>1</sup> Title I of the act provided for negotiations for the creation of a trust fund to be administered by the World Bank to combat the HIV/AIDS epidemic. Included in the act is a mandate that the Comptroller General of the United States submit a report to Congress evaluating the effectiveness of the fund within 2 years of enactment of the statute. Specifically, the act required that we (1) evaluate the effectiveness of programs, projects, and activities to reduce the worldwide spread of HIV/AIDS, and (2) assess the merits of continued U.S. financial contribution to the fund by August 19, 2002.

In January 2002, the Global Fund to Fight AIDS, Tuberculosis, and Malaria was formally established. As of May 2002, resources from the Fund had not been disbursed to any project. Therefore, it would be premature for us to evaluate the effectiveness of the Fund or to report on the merits of continued U.S. financial support of the Fund. We can nonetheless provide information on the status of the Global Fund to date.

### **Actions Taken to Establish the Fund**

A fund for AIDS and other infectious diseases was discussed at a meeting of the G8 group of countries in Okinawa, Japan, in July 2000, and gained the support of the Secretary General of the United Nations and the Director General of the World Health Organization (WHO) in early 2001. In April 2001, the Secretary General of the United Nations issued a call for action and the creation of a global fund to fight HIV/AIDS. At the close of the United Nations Special Session on HIV/AIDS in June 2001, the Secretary General announced the creation of the fund and welcomed pledges from donor nations and the private sector.

Between August and December of 2001, a transitional working group, comprised of representatives of 40 countries and organizations, prepared a document setting out the principles, purpose, scope, and basic architecture of the Fund. The group determined that the scope of the Fund would include tuberculosis and malaria as well as HIV/AIDS, that the secretariat would be located in Geneva, and that the fund

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<sup>1</sup>P.L. 106-264 sec. 131, Aug. 19, 2000, codified at 22 U.S.C. § 6831.

would be established as a foundation. The working group prepared a second document that proposed guidelines covering governance, eligibility criteria, technical review, accountability, legal issues, and fiduciary arrangements.

The Fund, a public-private partnership, has 18 voting board members comprised of representatives of donor countries, developing countries, nongovernmental organizations, a private foundation, and a private sector firm. UNAIDS, WHO, and the World Bank hold ex-officio (nonvoting) seats on the board. The board includes a person infected with or affected by HIV/AIDS, tuberculosis, or malaria, also in a nonvoting seat.

### **The Global Fund Has Received Pledges and Approved Its Initial Programs**

As of May 31, 2002, the Global Fund had received more than \$2 billion in pledges, with \$700 million available for disbursement in 2002. The United States has pledged a total of \$300 million to the Fund through fiscal year 2002, and the administration has requested an additional \$200 million in its fiscal year 2003 budget request.

At its first board meeting in January 2002, the Fund called for proposals for its first round of grants. The call for proposals was followed by activity at the country level, including establishment of country coordinating mechanisms (CCM). CCMs are national coordinating bodies that include broad representation from government agencies, nongovernmental organizations, community-based organizations, private sector institutions, and bilateral and multilateral agencies. Their stated purpose is to ensure that proposals submitted to the Fund have the approval of major development partners including government, civil society, the private sector, and development assistance agencies.

By the March 2002 deadline, the Fund had received 322 proposals for projects in 101 countries. After an initial screening of proposals that did not meet the criteria established by the board, the Fund's technical review panel evaluated about 150 proposals. The purpose of the Technical Review Panel is to identify projects that will have clear and demonstrable impact in the fight against AIDS, tuberculosis, and malaria. The 17-person panel includes members from government and nongovernmental organizations who serve as experts in their fields, rather than representatives of their institutions or governments.

At its second board meeting in April 2002, the Fund awarded a total of \$378 million over 2 years to 40 programs in 31 countries and also agreed to a fast-track process to approve an additional \$238 million for 18 proposals in 12 countries. Approximately \$1.4 billion will be needed to fund these 58 programs over the next 5 years. In addition, the board selected the first executive director of the Fund.

## **We Will Monitor and Report on Progress of the Global Fund**

As part of our commitment to address the issues in the congressional mandate, we will continue to monitor the Global Fund's efforts to combat AIDS, Tuberculosis, and Malaria and will provide reports to the Congress. In 2003, we will report on the Fund's structure and governance and its major challenges. That report will evaluate the potential gap between contributions and demand for funding, and efforts to coordinate with other funding sources to combat infectious diseases. In 2004, we will conduct an evaluation of the Fund's effectiveness and an assessment of the merits of continued U.S. financial contributions to the Fund.

If you or your staff have questions about this report, please contact me at (202) 512-3149. Thomas Melito, Assistant Director, and Thomas Zingale, Senior Analyst, contributed to this report.

Sincerely yours,

A handwritten signature in black ink, appearing to read "David Gootnick". The signature is fluid and cursive, with a large initial "D" and "G".

David B. Gootnick, Acting Director  
International Affairs and Trade

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