



Department  
for International  
Development



## Performance Agreement

United Kingdom and The Global Fund to Fight Aids, Tuberculosis  
and Malaria



September 2016

# Achieving Maximum Impact

The Global Fund has helped to save 20 million lives since it was established in 2002, and aims to save a further 8 million lives through the Fifth Replenishment. It has been highly successful, but it must continue to improve to achieve even greater impact. We have a duty to people affected by HIV/AIDS, TB and malaria to ensure the Global Fund continues to be as effective as possible. To support the Global Fund, and to ensure that UK taxpayers' contributions deliver the greatest possible impact, we have agreed ten areas which the Global Fund will prioritise for further improvement.

## Maximising lives saved

Given the wide variation in the cost effectiveness and impact of different interventions, utilising the most cost-effective interventions and products can significantly increase the effectiveness and Value for Money of our efforts. The Global Fund must implement rigorous processes to ensure that the specific interventions and products used in preventing and tackling the three diseases are the most cost-effective possible. The Global Fund will set clear expectations to countries that they will use the highest value interventions, evaluated using internationally accepted standards for economic evaluation, develop a Value for Money framework for countries to guide the design and implementation of Global Fund grants in the most cost effective manner, and report on the framework's progress and impact.

## Payment by Results at country level

The UK will support the Global Fund to increase its focus on results, such as the number of HIV patients using antiretroviral drugs and bednet coverage for malaria. As part of this, the Global Fund will strengthen its work to improve the quality of information about Global Fund supported programmes, particularly in the worst affected countries and most difficult environments. Over the three years of the replenishment we expect to see at least 15% of Global Fund investments in developing countries only being released in proportion to concrete, proven results.

## Cutting out inefficiency

Two of the greatest sources of inefficiency in health are inefficient procurement and weak supply chains. Delivering savings on the price of life saving health commodities, such as bed nets and anti-retrovirals, enables the Global Fund to reach more people with its money. The Global Fund will continue to use its market power to drive down prices and further develop its procurement model to deliver substantial cost savings worth at least \$250m by 2019. Weak supply chains are a critical barrier to progress against the three diseases. The Global Fund will work with and learn from the private sector to assess supply chain inefficiencies in the highest impact countries and implement a results based financing approach to address them.

## Rooting-out corruption

The UK demands clear action to root out corruption throughout the international aid system. This includes the Global Fund. The Global Fund must deliver in full the commitments it made in its 'Prioritized Action Plan' to strengthen risk management, fiduciary oversight and results monitoring. This includes ensuring that its risk management and audit functions provide sufficient coverage of high risk programmes. The UK supports a strong, independent, first class audit function through the Office of the Inspector General. We expect it to audit the highest risk countries at least every two years. The Global Fund has a clear public commitment to a zero tolerance approach to fraud and recovery of funds and will further strengthen its efforts to recover funding when wrongdoing is identified. It will ensure full transparency throughout its operations, so that people in developing countries can see how funds are being used.

## **Targeting the right countries**

This is vital to achieving the end of the diseases as epidemics and ensuring that no one is left behind. The worlds' poorest countries are less able to provide life-saving health interventions to their own people and often suffer a particularly high disease burden. The Global Fund has a new agreed policy of directing at least 85% of its resources to Low and Lower Middle Income Countries. It must be strictly followed.

## **Helping governments deliver for their people**

Protecting the health of citizens is the responsibility, first and foremost, of governments around the world. Our long term vision is for developing country governments to reduce their dependence on aid and increase investment in the health of their citizens. For every £1 of UK taxpayer money spent by the Global Fund at least £3 will be leveraged from developing country governments. This ratio will increase to £20 leveraged for every £1 of UK taxpayers' money for more economically successful countries. We need to progressively raise ambition in this area.

## **Getting business on board**

DFID will work with the Global Fund to get more companies to support the Fund's work, including using the best of British skills to support global public health through new partnerships with the Global Fund. As well as leveraging new private finance for malaria, we also want to see increased contributions to the Global Fund from the private sector. In support of this the Global Fund will expand and develop innovative models of private sector engagement. The UK strongly supports new private sector health funds in more economically successful countries.

## **Championing girls and women**

HIV and malaria disproportionately affect women of reproductive age and worsen maternal and neo-natal health outcomes. HIV infection rates among adolescent girls remain shockingly high and progress in preventing malaria during pregnancy has been limited. The Global Fund will develop strong partnerships with national governments, civil society, technical partners, other donors and the private sector to together address the underlying causes of HIV infection in adolescent girls and young women and reduce the impact of malaria on pregnant women and their unborn infants. Working with partners, the Global Fund will reduce HIV incidence in this group in the hardest hit areas of Sub Saharan Africa by up to 40%. Far too few pregnant women receive effective preventive treatment for malaria. We need to set and deliver a stretching target for increasing the number of women receiving preventive treatment against malaria

## **Building stronger systems for health**

The Global Fund will complement and improve developing countries health systems, helping them to provide health care to their own people. This will include strengthening national procurement systems, moving towards the use of national financial management systems, and building national health management information systems. The Global Fund will develop clear and measurable indicators of progress in all these areas and must deliver against them.

## **Getting the right expertise in place for value for money**

We welcome the commitment of the Global Fund to create a central team dedicated to driving value for money and ensure additional expert support in country teams. Through our membership of the Board of the Global Fund, the UK will work to strengthen independent advice and scrutiny of the Global Fund to ensure that it is following best practice in seeking value for money.

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