

Recoveries Report for the period 30 June 2021 46th Board Meeting

GF/B46/17

8-10 November 2021, *Virtual*

Board Information

Purpose of the paper: This report is provided to the Board for information. It provides background information and updates on the status of non-compliant expenditures identified by the Office of the Inspector General (“OIG”) as at 30 June 2021, as well as recoverable amounts identified in the course of grant management operations. The OIG reports independently to the Board on the Secretariat’s progress on matters related to recoveries.

Executive Summary

Context

This information paper provides a report on the status and trends of non-compliant expenditures and recoveries for the period ended 30 June 2021.

This report was previously submitted to the Audit & Finance Committee.

The Global Fund maintains a zero-tolerance approach to fraud and corruption. Where irregularities or misuse have materialized, swift and appropriate action is taken to address the underlying weaknesses and seek recoveries as appropriate.

Input Sought & Received

This is an information paper and there are no specific actions required for the Board, Board Committees, Secretariat and OIG.

Questions this paper addresses & Conclusion

i. On-going recovery efforts and recoveries context (OIG recoverable)

During the first half of 2021, the total outstanding OIG recoverable balance, net of written commitments to repay, increased from US\$ 1 million in December 2020 to US\$ 3.2 million at 30 June 2021. The US\$ 3.2 million open OIG recoverable balance relates to a new case determined by the Recoveries Committee and Executive Director on 31st May 2021 with regards to the supplier Chemonics for Nigeria grants. The total outstanding OIG recoverable balance, net of written commitments to repay, demonstrates resolution of 99% of the aggregate recoverable amount since the inception of the recoveries process.

ii. On-going recovery efforts and recoveries context (non-OIG recoverable)

The non-OIG aggregate outstanding balance, net of written commitments to repay, decreased from US\$ 20.3 million at 31 December 2020 to US\$ 19.7 million at 30 June 2021.

iii. Recovery outlook & process improvements

The outbreak of the Covid pandemic since the second quarter of 2020 caused disruptions of economic activities with a negative impact on the economic situation of recipient countries. At the same time, the Global Fund substantially scaled up New Funding Model (NFM) 3 investments and embarked on Covid financing in the context of an emergency environment. The change in operating environment gives rise to the enhanced inherent risk of incentive for fraud and misuse of resources at country recipient level, bearing in mind disruptions impacting the effectiveness of assurance functions. With Country Teams expected to make more use of the recovery process for resolution of recovery cases, improvements on the recovery management process are currently underway with the forthcoming introduction of a new Operational Policy Note (OPN), Responsible, Accountable, Consulted, Informed (RACI) & Procedures as well as development of an end-to-end integrated recoveries management process, which will facilitate the timely identification, update, tracking, monitoring, and resolution of recovery cases.

Report

01 Introduction

1. The Global Fund is fully committed to the principles of transparency and accountability. To fulfill this commitment, the Global Fund works, through its risk management and assurance processes, to expose irregularities and misuse of resources. Key measures are dedicated towards prevention but where irregularities or misuse have materialized, action is taken to address the underlying weaknesses and seek recoveries as appropriate.
2. The Global Fund maintains a zero-tolerance approach to fraud and corruption and aims to take swift and appropriate action when cases of misuse of funds are identified. The Global Fund will continue to ensure that all identified irregularities are communicated responsibly and in a timely manner to the Board and to other stakeholders.
3. Reports on amounts identified as a result of various compliance issues and on the Secretariat's efforts to seek refunds from recipients should be read in full awareness of the context and broad environment within which the Global Fund operates. Specifically, the Global Fund works in countries where governance, programmatic and oversight capacities are often weak, which carries inherent financial and programmatic risks.
4. Annex 1 presents the detailed country-by-country data for OIG-reported open cases as of 30 June 2021.
5. Annex 2 presents a summary of recoverable amounts identified in the due course of grant management as of 30 June 2021 for non-OIG open cases.
6. Annex 3 presents a summary of OIG audit and investigation reports as of 30 June 2021 in which supporting documentation at the time of the reports was deemed insufficient to arrive at final recoverable amounts and follow-up work is still ongoing to determine such amounts.

02 Current Status

On-going recovery efforts and recoveries context

Oversight of recoverable amounts (OIG & non-OIG) at 30 June 2021 and historical background

7. During the first half of 2021, the total outstanding OIG recoverable balance, net of written commitments to repay, increased from US\$ 1 million in December 2020 to US\$ 3.2 million at 30 June 2021. The previously reported OIG recoverable of US\$ 1m were fully repaid or written commitments to repay were registered. The US\$ 3.2 million open OIG recoverable balance relates to a new case determined by the Recoveries Committee and Executive Director on 31st May 2021 with regards to the supplier Chemonics for Nigeria grants. The total outstanding OIG recoverable balance, net of written commitments to repay, demonstrates resolution of 99% of the aggregate recoverable amount since the inception of the recoveries process. The 99% results from an increase in resolution of recoveries cases and is of particular interest for the period under review given the increased challenges faced by many countries to reimburse the Global Fund (ref. COVID-19).

8. Turnaround times for new cases continue to improve compared to 'legacy' cases, i.e., pre-2014. The improvement with respect to legacy cases reflects the more rigorous approach to recoveries referred to in previous reports, with the Global Fund seeing considerable benefits: recoverable funds are being returned more quickly than was the case pre-2014.

9. The non-OIG aggregate outstanding balance, net of written commitments to repay, decreased from US\$ 20.3 million at 31 December 2020 to US\$ 19.7 million at 30 June 2021.

Recovery outlook & process improvement

10. The outbreak of the Covid pandemic since the second quarter of 2020 has caused disruptions of economic activities with a negative impact on the economic situation of recipient countries of Global Fund grants. At the same time, the Global Fund substantially scaled up NFM 3 investments and also embarked on Covid financing, all this in the context of an emergency environment. This change in operating environment gives rise to the enhanced inherent risk of incentive for fraud and misuse of resources at country recipient level, bearing in mind disruptions impacting the effectiveness of assurance functions.

11. With this situation, it is expected that Country Teams may have to make more use of the recoveries process for resolution of recovery cases resulting from fraud and misuse of grant funds in the increasingly challenging economic environment. In this context, improvements on the recovery management process are currently underway with the forthcoming introduction of a new OPN, RACI & Procedures as well as development of an end-to-end integrated recoveries management process, which will facilitate the timely identification, update, tracking, monitoring, and resolution of recovery cases, while also providing relevant information to determine trends in recovery and enable early warning and detection of recovery related issues.

03 OIG Recoverable Amounts

12. When the OIG publishes audit or investigation reports that include the identification of non-compliant expenditures, the Secretariat identifies an appropriate amount to recover, taking into account the Global Fund's legal right to recover, Global Fund policies and procedures, the financial loss to the program, relevant business and political implications, and the specific facts of the case, and engages in a process to seek recovery of such amount. All OIG recoverable amounts are approved by the Executive Director, upon the recommendation of the Recoveries Committee.

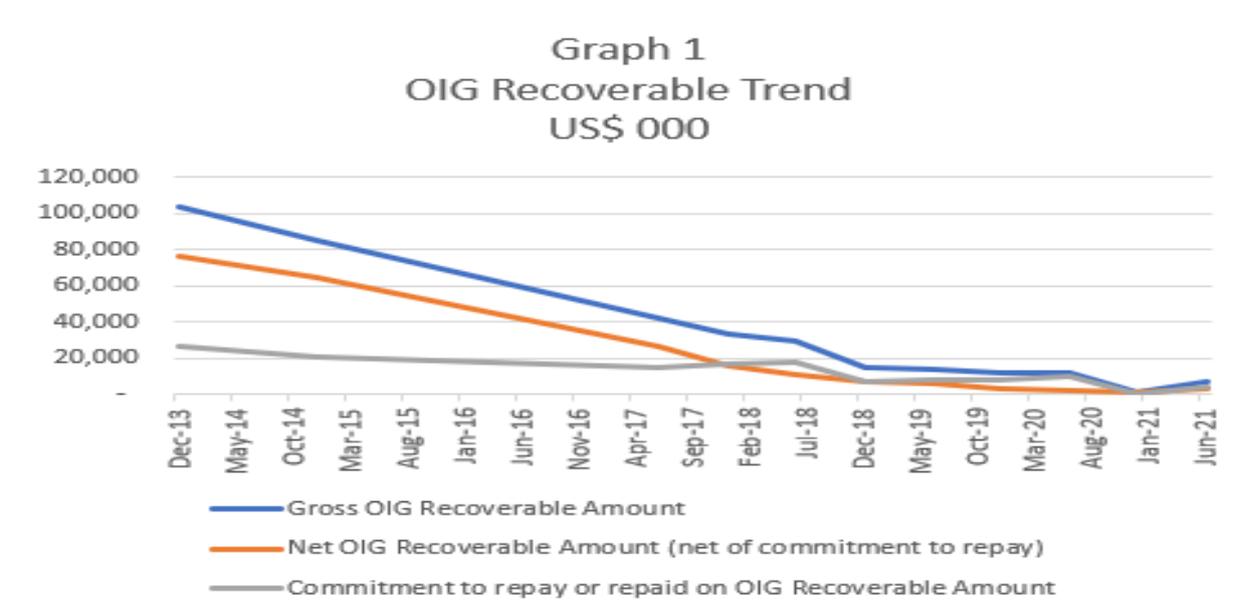
13. With respect to open OIG investigation reports, which are reflected in the amounts in Table 1, the Secretariat uses as a starting point the proposed recoverable amount indicated by the OIG in the investigation reports rather than the total non-compliant amount, given that the total non-compliant amount includes amounts that may not be recoverable because, for example, the associated services or goods have been delivered to the grants.

14. As OIG audit reports typically do not include a proposed recoverable amount; the Secretariat, with input from the OIG, determines the appropriate recoverable amount based on the content of the OIG audit report. This recoverable amount is then presented for the Recoveries Committee's review and subsequent recommendation to the Executive Director for approval.

15. The total outstanding OIG recoverable balance, net of written commitments to repay, increased from US\$ 1 million at 31 December 2020 to US\$ 3.2 million at 30 June 2021. Of note that the US\$ 3.2m relates to new OIG recoverable amounts for the supplier Chemonics in relation to Nigeria grants for which the amounts were determined by the Executive Director following recommendations of the Recoveries Committee in May 2021. Therefore, the previous OIG recoverable amount of US\$ 1 million reported at 31 December 2020 were resolved through repayments and commitments to repay during the period from January to June 2021.

16. At 30 June 2021, written commitments to repay for open OIG recovery cases amount to US\$ 4.0 million and relate to: (i) Central African Republic for US\$ 0.1 million; Democratic Republic of Congo for US\$ 3.3 million; and Sierra Leone for US\$ 0.6 million. Despite occasional short delays in transferring funds as per a country's contractual obligations to the Global Fund, the repayments are largely on track. Nonetheless, it should be noted that there is still residual credit risk until such time as the amounts due are fully settled.

17. Graph 1 illustrates the evolution of the total gross amount deemed recoverable (OIG Cases), the net recoverable outstanding amounts, and the evolution of commitments to repay.



18. Turnaround times for new cases continue to improve compared to 'legacy' cases, i.e., pre-2014. The improvement with respect to legacy cases reflects the more rigorous approach to recoveries referred to in previous reports and the Global Fund is seeing considerable benefits as recoverable funds are being returned more quickly than was the case pre-2014.

19. Recoverable amounts are recorded in the Global Fund's financial statements in accordance with International Financial Reporting Standards (IFRS). The net recoverable amounts in this report may be different from those presented in the financial statements due to the accounting method adopted to comply with the requirements of IFRS. For instance, estimated credit losses, impairment, and revaluation gains on foreign exchange are not captured in this report. Also, the OIG may release an investigation or audit report that is promptly reflected in this report but converting the findings into a demand letter (which is then booked in the financial statements) may not take place until after the reporting period and may also reflect adjustments based on recommendations by the Recoveries Committee and

approval by the Executive Director. It should be noted that the financial statements reporting on losses and recoveries uses the exact same underlying data as that presented within the tables below, and that a formal reconciliation process is implemented and validated through the Recoveries Committee.

04 Non-OIG Recoverable Amounts

20. Non-OIG recoverable amount data is collected each quarter from Country Teams and offers a snapshot of a rolling total. In the event that they are not resolved within specified timeframes as prescribed under the OPN for recoveries, these instances are reported to the Recoveries Committee for their review and recommendation in accordance with guidance provided to Country Teams.

21. As of 30 June 2021, the non-OIG aggregate outstanding balance, net of written commitments to repay, amounted to US\$ 19.7 million (US\$ 20.3 million at 31 December 2020).

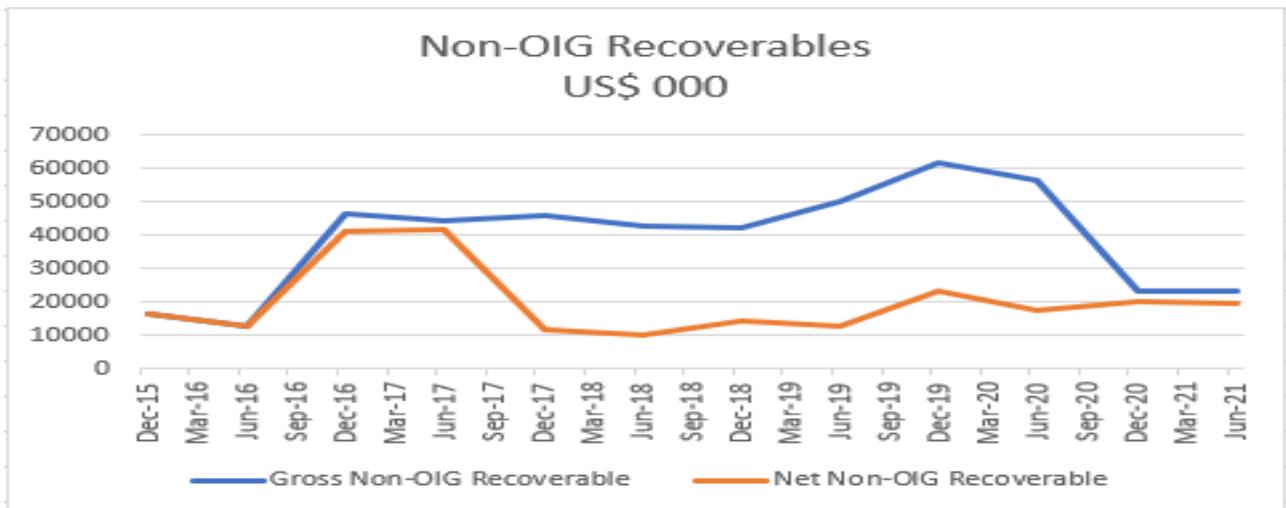
22. Of this US\$ 19.7 million, there are four countries that account for approximately US\$ 14.9m or 75% of the total net outstanding amount due, as follows:

	COUNTRY	US\$
1	Mozambique – MOH/WV/FDC/CCS*	5,508,354
2	Guinea – CNLS	4,610,697
3	Tanzania	3,869,940
4	Cameroon – MOH	863,984
		14,852,975
	% of Total Non-OIG recoverable	75%

*Of note that for Mozambique, the Executive Director following recommendation of the Recoveries Committee approved a repayment protocol exceeding 12months timeline in the amount of US\$ 3.4 million on 18 June 2021. This is not reflected as commitment to repay at 30 June 2021 as the repayment protocol was still in the process of being signed by the Ministry of Economy (Ministry of Health has already signed).

23. The Recoveries Committee approved 5 cases of write offs across multiple grants (all Non-OIG) during the reporting period from January to June 2021 for a total amount **US\$ 249,665** after having considered that: (i) it was impracticable to recover the amounts; (ii) all other forms of recovery and leverage were extinguished; and in some cases where the potential costs of recovery would outweigh the recoverable amount.

24. Graph 2 below illustrates the evolution of the total gross amount deemed recoverable (all Non-OIG cases) and the net recoverable outstanding amounts for the previous five and a half years.



05 2:1 Allocation Reduction

25. The year ended 30 June 2021 saw five applications for a 2 to 1 allocation reduction for a total amount of US\$ 6,303,864 (original recoverable amount of US\$ 3,151,932) which the Executive Director has approved following recommendations of the Recoveries Committee, on the basis that: (i) the recoverable amounts were long outstanding; (ii) all other forms of recovery and leverage were extinguished; (iii) a write-off was not considered appropriate; and (iv) the impact of a 2 to 1 allocation reduction would not have substantial programmatic disruptions. Of note that the 2 to 1 allocation reduction all related to non-OIG recoverable cases.

26. Accordingly, it is important that there is adequate visibility for the cases in which it was concluded that there was no better option but to apply the 2-for-1 allocation reduction approach, which is why the allocation reductions that occurred during the year ended 30 June 2021 are described in the following paragraphs.

27. Tajikistan (Non-OIG)

The 2 to 1 allocation reduction of US\$ 72,430 was approved in relation to recoverable amounts dating back to 2018 for an amount of US\$ 36,215, where the PR failed to reimburse the Global Fund after all reasonable avenues for recovery were exhausted. As there was going to be a change in the PR, the 2 to 1 allocation reduction was applied to the next 2020-2022 TB allocation cycle as a last resort measure.

28. Albania (Non-OIG)

The 2 to 1 allocation reduction of US\$ 5,042 was approved in relation to recoverable amounts of US\$ 2,521 and was in relation to a previous implementation period from 1 January 2017 to 31 December 2019 and arose from a previous SR which has been replaced. All forms of attempts to recoveries were extinguished and the 2 to 1 allocation reduction from the next 2020-2022 implementation period was approved as a last resort measure.

29. Thailand (non-OIG)

The 2 to 1 allocation reduction of US\$ 813,070 was approved in relation to ineligible VAT payments of US\$ 406,535 for the period from 2015 to 2017 and implemented by the Department of Disease Control (PR), a continuing PR. The PR, who is a government agency, is not VAT exempt as confirmed by the department of revenue and indicated they will not reimburse the ineligible amounts. The CT has extinguished all possible channels of recovery and in this context, a 2 to 1 allocation reduction from the 2020 - 2022 allocation was approved as a last resort measure.

30. Ghana (non-OIG)

The 2 to 1 allocation reduction of US\$ 5,001,194 was approved in relation to recoverable amounts of US\$ 2,500,597 for: ineligible tax expenses incurred; ineligible grant expenditures; and outstanding balances on the Ghana Central Medical Store Fire Agreement. As these relate to long outstanding recoverable amounts for which all possible avenues of recoveries were exhausted, the 2 to 1 allocation reduction was approved and applied to the 2020-2022 allocation.

31. Nepal (non-OIG)

The 2 to 1 allocation reduction of US\$ 412,128 relate to recoverable amounts of US\$ 206,064 for non-compliant expenditures and unrefunded cash balances dating back to 2015 when three grants with the Government of Nepal ended. Because these were long outstanding recoverable amounts and all avenues of recoveries were exhausted, while taking into account the change in PR, the 2 to 1 allocation reduction from the 2020-2022 allocation was approved and applied.

06 Recovery outlook & process improvement

32. While significant progress was achieved over the past years on recovery management process, the evolving environment in which The Global Fund operates now requires an adaptation of the process to address the evolution of the following identified risks, some of which are material in nature:

- a. The outbreak of the Covid pandemic since the second quarter of 2020 has caused disruptions of economic activities with a negative impact on the economic situation of recipient countries of Global Fund grants. The resulting assurance mechanism function have been impacted as a result of the pandemic giving way for the increased inherent risk of incentive for fraud and misuse of grant funds.
- b. Significant scale up of NFM 3 investments compared to NFM 2 cycle. The increase in funding from the Global Fund to implementers in the challenging economic environment comes with the potential risks of fraud and ineligible expenditure at implementer and service provider level, along with an expected increase in the number of transactions in areas such as procurement, training, supervision and travel related costs more specifically where high level of assurance is difficult to achieve

- c. With the Global Fund having already embarked on an ambitious Covid 19 funding program with ongoing C19RM 2.0 funding approval, the risk of misuse of funds, ineligible expenditure becomes even more relevant as the nature of C19RM funding and investments are in many aspects different in nature from the normal HTM and RSSH funding. It is expected that Country Teams may have to make more use of the recovery management process going forward.

Improvement to the recovery management process

33. For all the above reasons, it has become imperative to adapt the recoveries management process which started back in 2020 and which has now reached an advanced stage. This update to the process aims to mitigate the above-mentioned risks while taking into account the evolving operating environment of the Global Fund. The main changes will comprise of the following key milestones:

- a. Introduction of a new OPN, RACI & Procedures on recoveries management process. This will be an update from the old 2017 OPN on recoveries and will also set out the responsibility and accountability framework as well as clearly defined timelines at every stage of the recovery management process, which will enhance timely identification, monitoring, exception reporting and resolution of recovery cases. The new OPN, RACI & Procedures documents are currently under approval process and expect for roll-out in Q4 of 2021.
- b. Intermediate systems improvement to introduce tracking and follow-up mechanisms to monitor timeliness of issue of demand letters and report non-compliances through aged listing reports. The intermediate system improvement on aged listing report is completed and under testing phase.
- c. Introduction of an end-to-end systems-based recoveries that aims to captures all the stages of the recovery process under one roof with minimal “offline” intervention. This will enhance timely recording, monitoring, follow-up, exception reporting and resolution of recovery cases. The objective of the end-to-end process is to also allow more efficient use of available data on recoveries for analytics, determining trends on recoveries and nature of recoveries and provide early warning signals on specific risks related to recoveries which will enable timely action to be taken. The end-to-end systems-based recoveries process is currently under design phase.

Annexes

Annex 1: Recoveries Committee OIG cases with outstanding recoverable amounts as of 30 June 2021

Row Labels	Sum of Expenditures compromised by prohibited practices (USD equ)	Sum of Unsupported expenditures (USD equ)	Sum of Expenditures incurred outside of the scope or period of the grant (USD equ)	Sum of Expenditures relating to other types of non-compliance or mismanagement of grant funds (USD equ)	Sum of Uncategorised Expenditures (USD equ)	Sum of Management Adjustments (USD Equ)	Sum of Gross Recoverable Amount (USD Equ)	Sum of Written off (USD Equ)	Sum of Allocation reduction (USD Equ)	Sum of Recovered (USD Equ)	Sum of Net Amount still to Recover (USD Equ)	Sum of Commitment to repay (USD Equ)	Sum of Net After Commitments (USD Equ)
CT Central African Republic	-	861,599	-	-	-	-	861,599	-	-	715,492	146,107	146,107	-
CAF-202-G01-H-00P01	-	-	-	-	-	-	-	-	-	-	-	-	-
CAF-708-G05-HP03	-	861,599	-	-	-	-	861,599	-	-	715,492	146,107	146,107	-
CAF-M-VVIP01	-	-	-	-	-	-	-	-	-	-	-	-	-
CT Congo (Democratic Republic)	-	3,342,466	-	-	-	-	3,342,466	-	-	-	3,342,466	3,342,466	-
COD-M-PSIP01	-	3,342,466	-	-	-	-	3,342,466	-	-	-	3,342,466	3,342,466	-
CT Multicountry HIAS AFA	-	-	-	-	14,643	14,643	-	-	-	-	-	-	-
QSE-H-AFADP01	-	-	-	-	14,643	14,643	-	-	-	-	-	-	-
CT Nigeria	3,155,515	-	-	33,305	-	-	3,188,820	-	-	-	3,188,820	-	3,188,820
NGA-C-LSMOHP01	84,656	-	-	-	-	-	84,656	-	-	-	84,656	-	84,656
NGA-H-FHI360P01	2,851,759	-	-	33,305	-	-	2,885,064	-	-	-	2,885,064	-	2,885,064
NGA-H-FHI360P02	219,100	-	-	-	-	-	219,100	-	-	-	219,100	-	219,100
CT Sierra Leone	946,726	-	-	-	-	-	946,726	-	-	401,368	545,358	545,358	-
SLE-H-NASPO3	704,887	-	-	-	-	-	704,887	-	-	274,247	430,640	430,640	-
SLE-Z-MOHSP01	241,839	-	-	-	-	-	241,839	-	-	127,121	114,719	114,719	-
Grand Total	4,102,241	4,204,065	-	33,305	14,643	14,643	8,339,611	-	-	1,116,860	7,222,751	4,033,931	3,188,820

Annex 2: Recoverable amounts identified and submitted to the Recoveries Committee in the ordinary course of grant management operations outstanding as of 30 June 2021

Row Labels	Sum of Expenditures compromised by prohibited practices (USD equ)	Sum of Unsupported expenditures (USD equ)	Sum of Expenditures incurred outside of the scope or period of the grant (USD equ)	Sum of Expenditures relating to non-compliance or mismanagement of grant funds (USD equ)	Sum of Uncategorised Expenditures (USD equ)	Sum of Management Adjustments (USD Equ)	Sum of Gross Recoverable Amount (USD Equ)	Sum of Written off (USD Equ)	Sum of Allocation reduction (USD Equ)	Sum of Recovered (USD Equ)	Sum of Net Amount still to Recover (USD Equ)	Sum of Commitment to repay (USD Equ)	Sum of Net After Commitments (USD Equ)
CT Afghanistan	-	80,099	-	-	-	-	80,099	-	-	-	80,099	-	80,099
AFG-708-G04-HP02	-	80,099	-	-	-	-	80,099	-	-	-	80,099	-	80,099
CT Albania	-	-	-	2,521	-	-	2,521	-	2,521	-	-	-	-
ALB-C-MCHP01	-	-	-	2,521	-	-	2,521	-	2,521	-	-	-	-
CT Benin	22,570	-	-	-	-	-	22,570	-	-	-	22,570	-	22,570
BEN-M-PNLPP02	22,570	-	-	-	-	-	22,570	-	-	-	22,570	-	22,570
CT Burundi	30,199	171,633	-	59,081	-	-	260,913	-	-	-	260,913	-	260,913
BDI-H-PNLSP01	30,199	46,430	-	48,548	-	-	125,177	-	-	-	125,177	-	125,177
BDI-M-SEPCNLSP01	-	32,618	-	-	-	-	32,618	-	-	-	32,618	-	32,618
BDI-T-PNLTP01	-	-	-	10,533	-	-	10,533	-	-	-	10,533	-	10,533
BRN-809-G07-HP02	-	77,076	-	-	-	-	77,076	-	-	-	77,076	-	77,076
BRN-813-G11-HP01	-	15,509	-	-	-	-	15,509	-	-	-	15,509	-	15,509
CT Cameroon	-	-	-	863,984	-	-	863,984	-	-	-	863,984	-	863,984
CMR-M-MCHP01	-	-	-	863,984	-	-	863,984	-	-	-	863,984	-	863,984
CMR-M-MCHP02	-	-	-	-	-	-	-	-	-	-	-	-	-
CT Central African Republic	-	111,253	-	-	-	-	111,253	-	-	-	111,253	111,253	-
CAF-708-G05-HP03	-	111,253	-	-	-	-	111,253	-	-	-	111,253	111,253	-
CT Chad	-	-	176,833	31,610	443,752	-	652,195	-	-	28,843	623,352	179,600	443,752
TCD-810-G04-HP01	-	-	176,833	31,610	443,752	-	208,443	-	-	28,843	179,600	179,600	-
TCD-810-G05-HP02	-	-	-	-	-	-	443,752	-	-	-	443,752	-	443,752
TCD-810-G07-TP02	-	-	-	-	-	-	-	-	-	-	-	-	-
TCD-M-UNDP01	-	-	-	-	-	-	-	-	-	-	-	-	-
TCD-T13-G09-MP01	-	-	-	-	-	-	-	-	-	-	-	-	-
CT Comoros	-	-	-	-	5,676	-	5,676	-	-	-	5,676	-	5,676
COM-810-G03-MP02	-	-	-	-	5,676	-	5,676	-	-	-	5,676	-	5,676
CT Congo (Democratic Republic)	-	191,294	-	19,711	-	-	211,005	-	-	-	211,005	-	211,005
COD-C-CORDAIDP01	-	35,047	-	19,711	-	-	54,758	-	-	-	54,758	-	54,758
COD-M-MCHP02	-	156,247	-	-	-	-	156,247	-	-	-	156,247	-	156,247
CT Côte d'Ivoire	-	59,132	-	-	-	-	59,132	-	-	13,222	45,911	3,902	42,008
CIV-910-G13-HP02	-	-	-	-	-	-	-	-	-	-	-	-	-
CIV-M-MCHP01	-	41,679	-	-	-	-	41,679	-	-	-	41,679	-	41,679
CIV-T-ACIP01	-	17,124	-	-	-	-	17,124	-	-	13,222	3,902	3,902	-
CIV-T-MCHP03	-	329	-	-	-	-	329	-	-	-	329	-	329
CT Ethiopia	-	10,314	1,542	446,953	-	321	458,389	-	-	-	458,389	-	458,389
ETH-H-HAPCOP01	-	1,167	1,221	9,815	-	-	12,204	-	-	-	12,204	-	12,204
ETH-M-FMCHP01	-	881	-	-	-	-	881	-	-	-	881	-	881
ETH-M-FMCHP02	-	-	-	22,782	-	-	22,782	-	-	-	22,782	-	22,782
ETH-S-FMCHP02	-	1,725	321	40,219	-	321	41,944	-	-	-	41,944	-	41,944
ETH-T-FMCHP03	-	6,541	-	-	-	-	6,541	-	-	-	6,541	-	6,541
ETH-T-FMCHP04	-	-	-	374,037	-	-	374,037	-	-	-	374,037	-	374,037
CT Fiji	-	139,143	-	-	-	-	139,143	-	-	79,466	59,677	268	59,409
FJI-T-HHMSPO3	-	139,143	-	-	-	-	139,143	-	-	79,466	59,677	268	59,409
CT Guinea	-	-	-	4,713,042	-	-	4,713,042	-	-	102,345	4,610,697	-	4,610,697
GIN-H-CNLSPO2	-	-	-	4,713,042	-	-	4,713,042	-	-	102,345	4,610,697	-	4,610,697

Row Labels	Sum of Expenditures compromised by prohibited practices (USD equ)	Sum of Unsupported expenditures (USD equ)	Sum of Expenditures incurred outside of the scope or period of the grant (USD equ)	Sum of Expenditures relating to other types of non-compliance or mismanagement of grant funds (USD equ)	Sum of Uncategorised Expenditures (USD equ)	Sum of Management Adjustments (USD Equ)	Sum of Gross Recoverable Amount (USD Equ)	Sum of Written off (USD Equ)	Sum of Allocation reduction (USD Equ)	Sum of Recovered (USD Equ)	Sum of Net Amount still to Recover (USD Equ)	Sum of Commitment to repay (USD Equ)	Sum of Net After Commitments (USD Equ)
CT Haiti	-	-	-	117,928	-	-	117,928	-	-	-	117,928	-	117,928
HTI-C-PSIP01	-	-	-	117,928	-	-	117,928	-	-	-	117,928	-	117,928
CT Kenya	-	56,259	-	-	-	-	56,259	-	-	-	56,259	-	56,259
KEN-M-TNTP01	-	50,908	-	-	-	-	50,908	-	-	-	50,908	-	50,908
KEN-T-TNTP03	-	5,351	-	-	-	-	5,351	-	-	-	5,351	-	5,351
CT Lao (Peoples Democratic Republic)	-	4,591	-	-	-	-	4,591	-	-	4,591	-	-	-
LAO-H-GFMQHP03	-	4,591	-	-	-	-	4,591	-	-	4,591	-	-	-
CT Liberia	55,193	27,164	209,697	307,367	5,230	-	604,651	-	-	253,585	351,066	317,064	34,002
LBR-B10-G07-HP02	-	-	209,697	-	-	-	209,697	-	-	-	209,697	209,697	-
LBR-C-MQHP01	55,193	6,570	-	297,493	-	-	359,255	-	-	253,585	105,670	97,493	8,178
LBR-M-MQHP02	-	18,394	-	-	-	-	18,394	-	-	-	18,394	-	18,394
LBR-M-MQHP03	-	2,200	-	-	5,230	-	7,430	-	-	-	7,430	-	7,430
LBR-M-MQHP04	-	-	-	9,875	-	-	9,875	-	-	-	9,875	9,875	-
CT Madagascar	-	99,145	26,812	-	-	-	125,957	-	-	-	125,957	-	125,957
MDG-H-SECNLSP01	-	-	26,812	-	-	-	26,812	-	-	-	26,812	-	26,812
MDG-H-SECNLSP02	-	783	-	-	-	-	783	-	-	-	783	-	783
MDG-M-MQHP01	-	98,362	-	-	-	-	98,362	-	-	-	98,362	-	98,362
CT Montenegro	-	361	-	-	-	-	361	-	-	-	361	-	361
MNE-H-MQHP01	-	361	-	-	-	-	361	-	-	-	361	-	361
CT Mozambique	-	1,524,399	20,164	3,963,791	-	-	5,508,354	-	-	-	5,508,354	-	5,508,354
MOZ-B09-G08-SP02	-	248,221	-	481,238	-	-	729,459	-	-	-	729,459	-	729,459
MOZ-C-CCSP01	-	-	-	546,743	-	-	546,743	-	-	-	546,743	-	546,743
MOZ-C-FDCP01	-	-	-	457,076	-	-	457,076	-	-	-	457,076	-	457,076
MOZ-H-FDCP01	-	52,100	20,164	232,246	-	-	304,509	-	-	-	304,509	-	304,509
MOZ-H-MQHP01	-	262,282	-	-	-	-	262,282	-	-	-	262,282	-	262,282
MOZ-H-MQHP02	-	273,299	-	144,445	-	-	417,744	-	-	-	417,744	-	417,744
MOZ-M-MQHP01	-	5,846	-	-	-	-	5,846	-	-	-	5,846	-	5,846
MOZ-M-MQHP02	-	384,535	-	199,434	-	-	584,029	-	-	-	584,029	-	584,029
MOZ-M-WVP01	-	-	-	1,027,950	-	-	1,027,950	-	-	-	1,027,950	-	1,027,950
MOZ-M-WVP02	-	-	-	446,454	-	-	446,454	-	-	-	446,454	-	446,454
MOZ-T-MQHP01	-	149,562	-	342,639	-	-	491,201	-	-	-	491,201	-	491,201
MOZ-T-MQHP02	-	149,494	-	65,567	-	-	235,061	-	-	-	235,061	-	235,061
CT Multicountry CAF ALCO	-	-	-	-	230,610	-	230,610	1,498	-	229,112	-	-	-
GPF-H-ALCOF01	-	-	-	-	230,610	-	230,610	1,498	-	229,112	-	-	-
CT Multicountry HIAF2 ANECCA	-	10,785	-	13,350	-	-	24,135	-	-	13,136	10,999	-	10,999
GPA-H-ANECCAP01	-	10,785	-	13,350	-	-	24,135	-	-	13,136	10,999	-	10,999
CT Multicountry HIAF2 ECSA-HC	-	-	-	24,897	-	-	24,897	-	-	-	24,897	24,897	-
GPA-T-ECSAP01	-	-	-	24,897	-	-	24,897	-	-	-	24,897	24,897	-
CT Multicountry HIAS RAI	-	-	-	23,961	-	-	23,961	-	-	-	23,961	-	23,961
QSE-H-UNQFSP02	-	-	-	13,329	-	-	13,329	-	-	-	13,329	-	13,329
QSE-H-UNQFSP03	-	-	-	10,632	-	-	10,632	-	-	-	10,632	-	10,632
CT Multicountry SEAS IHIVA	-	52,172	-	-	-	-	52,172	52,172	-	-	-	-	-
QSA-H-HAAP01	-	52,172	-	-	-	-	52,172	52,172	-	-	-	-	-
CT Multicountry WAF ANCS	-	-	-	-	397,165	-	397,165	-	-	392,099	5,065	5,065	-
GPF-C-ANCSF01	-	-	-	-	397,165	-	397,165	-	-	392,099	5,065	5,065	-

Row Labels	Sum of Expenditures prohibited by practices (USD equ)	Sum of Unsupported expenditures (USD equ)	Sum of Expenditures incurred outside of the scope or period of the grant (USD equ)	Sum of Expenditures relating to other types of non-compliance or mismanagement of grant funds (USD equ)	Sum of Uncategorised Expenditures (USD equ)	Sum of Management Adjustments (USD Equ)	Sum of Gross Recoverable Amount (USD Equ)	Sum of Written off (USD Equ)	Sum of Allocation reduction (USD Equ)	Sum of Recovered (USD Equ)	Sum of Net Amount still to Recover (USD Equ)	Sum of Commitment to repay (USD Equ)	Sum of Net After Commitments (USD Equ)
CT Myanmar	-	-	-	10,684	-	-	10,684	-	-	-	10,684	-	10,684
MNR-T-UNOPSP03	-	-	-	3,136	-	-	3,136	-	-	-	3,136	-	3,136
MNR-T-UNOPSP04	-	-	-	1,547	-	-	1,547	-	-	-	1,547	-	1,547
CT Namibia	-	31,760	-	-	-	-	31,760	-	-	4,413	27,347	27,347	-
NMB-202-G07-HP02	-	31,760	-	-	-	-	31,760	-	-	4,413	27,347	27,347	-
CT Niger	-	-	-	11,878	-	-	11,878	-	-	-	11,878	-	11,878
NER-T-SCFP01	-	-	-	11,878	-	-	11,878	-	-	-	11,878	-	11,878
CT Nigeria	-	9,700	2,112,933	-	-	-	2,122,633	-	-	1,760,778	361,856	352,156	9,700
NGA-H-NACAP03	-	-	1,907,105	-	-	-	1,907,105	-	-	1,589,254	317,851	317,851	-
NGA-M-NMEPP01	-	-	205,828	-	-	-	205,828	-	-	171,523	34,305	34,305	-
NGA-S-MSHPP01	-	9,700	-	-	-	-	9,700	-	-	-	9,700	-	9,700
CT Pakistan	-	112,356	1,261,135	35,972	-	-	1,409,463	-	-	465,004	944,459	3,955	940,504
PAK-H-NACPP02	-	-	19,534	-	-	-	19,534	-	-	1,048	18,486	-	18,486
PAK-H-NACPP03	-	-	42,961	-	-	-	42,961	-	-	-	42,961	-	42,961
PAK-M-DMCP01	-	-	6,934	-	-	-	6,934	-	-	5,815	1,119	-	1,119
PAK-M-DMCP03	-	-	80,934	-	-	-	80,934	-	-	-	80,934	-	80,934
PAK-T-NTPP01	-	-	58,321	6,258	-	-	65,179	-	-	4,865	60,314	-	60,314
PAK-T-NTPP02	-	-	158,180	-	-	-	158,180	-	-	8,244	149,936	-	149,936
PAK-T-NTPP03	-	34,823	430,136	23,714	-	-	494,673	-	-	935	493,744	-	493,744
PAK-T-TIHP01	-	77,527	463,395	-	-	-	540,922	-	-	444,097	96,825	3,955	92,871
PAK-T-TIHP02	-	-	-	-	-	-	-	-	-	-	-	-	-
CT Serbia	-	2,483	-	-	-	-	2,483	-	-	-	2,483	-	2,483
SRB-H-MQHP01	-	2,483	-	-	-	-	2,483	-	-	-	2,483	-	2,483
CT Sierra Leone	202,886	75,807	109,616	693,174	-	-	1,081,482	-	-	50,112	1,031,370	470,907	560,463
SLE-H-NASP03	-	46,795	-	318,229	-	-	365,024	-	-	50,112	314,911	-	314,911
SLE-H-NASP04	-	-	-	20,092	-	-	20,092	-	-	-	20,092	-	20,092
SLE-M-MQHSP02	-	9,053	109,616	-	-	-	118,670	-	-	-	118,670	-	-
SLE-Z-MQHSP01	32,450	3,505	-	321,541	-	-	357,496	-	-	-	352,237	5,259	5,259
SLE-Z-MQHSP02	170,436	16,453	-	33,312	-	-	220,200	-	-	-	220,200	-	220,200
CT Sudan	122,714	248,676	-	146,674	-	-	518,064	-	-	-	518,064	-	518,064
SDN-H-MQHP01	-	85,222	-	-	-	-	85,222	-	-	-	85,222	-	85,222
SDN-S-FMQHP01	122,714	163,454	-	146,674	-	-	432,842	-	-	-	432,842	-	432,842
CT Tanzania (United Republic)	-	2,421,454	141,222	1,285,288	515,447	181,081	4,182,331	-	-	312,391	3,869,940	-	3,869,940
TNZ-405-G06-HP03	-	-	-	653,717	-	-	653,717	-	-	270,514	383,202	-	383,202
TZA-C-STCP01	-	-	-	53,671	-	-	53,671	-	-	3,200	50,471	-	50,471
TZA-H-MQFP01	-	-	37,859	410,343	-	-	448,202	-	-	-	448,202	-	448,202
TZA-H-MQFP02	-	1,248,004	74,657	55,772	453,704	170,148	1,661,989	-	-	38,677	1,623,312	-	1,623,312
TZA-M-MQFP03	-	-	19,823	-	-	-	131,615	-	-	-	131,615	-	131,615
TZA-M-MQFP04	-	1,120,301	-	-	61,742	10,933	1,171,110	-	-	-	1,171,110	-	1,171,110
TZA-T-MQFP02	-	33,320	28,706	-	-	-	62,026	-	-	-	62,026	-	62,026
CT Thailand	-	-	-	406,535	-	-	406,535	-	-	-	406,535	-	406,535
THA-C-DDCP01	-	-	-	406,535	-	-	406,535	-	-	-	406,535	-	406,535

Row Labels	Sum of Expenditures compromised by prohibited practices (USD equ)	Sum of Unsupported expenditures (USD equ)	Sum of Expenditures incurred outside of the scope or period of the grant (USD equ)	Sum of Expenditures relating to other types of non-compliance or mismanagement of grant funds (USD equ)	Sum of Uncategorised Expenditures (USD equ)	Sum of Management Adjustments (USD Equ)	Sum of Gross Recoverable Amount (USD Equ)	Sum of Written off (USD Equ)	Sum of Allocation reduction (USD Equ)	Sum of Recovered (USD Equ)	Sum of Net Amount still to Recover (USD Equ)	Sum of Commitment to repay (USD Equ)	Sum of Net After Commitments (USD Equ)
CT Timor-Leste	-	18,232	-	-	-	-	18,232	-	-	10,802	7,430	-	7,430
TLS-H-MQHP03	-	6,626	-	-	-	-	6,626	-	-	2,654	4,172	-	4,172
TLS-H-MQHP02	-	10,288	-	-	-	-	10,288	-	-	7,150	3,118	-	3,118
TLS-T-MQHP01	-	1,138	-	-	-	-	1,138	-	-	938	140	-	140
CT Uganda	-	2,650	10,924	449,722	-	-	463,296	-	-	325,467	137,829	60,061	77,768
UGA-C-TASOP01	-	632	-	387,663	-	-	388,355	-	-	325,467	62,888	-	62,888
UGA-H-MoFPEDP02	-	-	-	1,938	-	-	1,938	-	-	-	1,938	-	1,938
UGA-M-TASOP01	-	1,958	-	-	-	-	1,958	-	-	-	1,958	-	1,958
UGA-M-TASOP02	-	-	10,924	-	-	-	10,924	-	-	-	10,924	-	10,924
UGA-S-TASOP01	-	-	-	60,061	-	-	60,061	-	-	-	60,061	60,061	-
CT Ukraine	-	-	-	116,951	-	-	116,951	-	-	-	116,951	-	116,951
UKR-C-AUAP02	-	-	-	95,130	-	-	95,130	-	-	-	95,130	-	95,130
UKR-C-AUNP02	-	-	-	12,738	-	-	12,738	-	-	-	12,738	-	12,738
UKR-C-PHCP02	-	-	-	9,084	-	-	9,084	-	-	-	9,084	-	9,084
CT Viet Nam	-	-	-	128,370	-	-	128,370	-	-	112,246	16,124	16,124	(0)
VNM-H-VAACP04	-	-	-	128,370	-	-	128,370	-	-	112,246	16,124	16,124	(0)
CT Zambia	4,643,279	26,192	-	-	-	144,089	4,525,382	-	-	2,691,221	1,834,161	1,813,535	20,626
ZAM-H-UNDP01	4,638,025	-	-	-	-	133,269	4,504,756	-	-	2,691,221	1,813,535	1,813,535	-
ZMB-C-MQHP02	-	24,853	-	-	-	9,670	15,183	-	-	-	15,183	-	15,183
ZMB-M-MQHP02	5,254	1,339	-	-	-	1,150	5,443	-	-	-	5,443	-	5,443
CT Zimbabwe	-	331,766	-	-	-	17,267	314,439	-	-	-	314,439	74,400	240,039
ZWE-H-UNDP02	-	240,039	-	-	-	-	240,039	-	-	-	240,039	-	240,039
ZWE-M-MQHCCP02	-	91,667	-	-	-	17,267	74,400	-	-	-	74,400	74,400	-
Grand Total	5,076,841	5,818,820	4,070,879	13,873,343	1,597,879	342,758	30,095,004	53,670	2,521	6,848,832	23,189,981	3,460,534	19,729,447

Annex 3: OIG audit & investigation reports pending for the Recoveries Committee as of 30 June 2021

This table reconciles and provides supporting explanations for amounts reported by the OIG but which require additional work in order to arrive at a final recoverable amount.

Country	OIG Report Issue Date	OIG Reported Potential Recoverable	Reclassified Amount	Current Recoverable Amount	Amount Still Under Review	Status
Pakistan	01 April 2021	US\$ 1,171,589	TBD	TBD	TBD	Additional followup work currently being undertaken by the CT through LFA to confirm the recoverable amount.

Reclassified amount: The amount of expenditures previously identified as non-compliant that have been reclassified as compliant following further review by the Secretariat in conjunction with the LFA and OIG.

Current recoverable amount: The amount of expenditures previously identified as non-compliant that are confirmed as non-compliant following further review by the Secretariat in conjunction with the LFA and OIG.

Notes to Annexes:

(1) Each OIG report leading to a recoverable amount is counted as a separate case, even if multiple reports apply to the same country.

(2) A written commitment is recognized as such once signed by a competent authority, in practice usually the Ministry of Health with co-signature by the Ministry of Finance.

(3) Adjustments by management include changes to the OIG-reported figures based on additional considerations, which may include review of additional supporting documentation, retroactive approval of expenditures reported by the OIG as non-compliant where sound rationales exist, an evaluation of the Global Fund's available legal rights and remedies, and amounts identified by the Secretariat as recoverable in addition to the amounts reported by the OIG. Such adjustments are made in consultation with the OIG.

(4) The amount deemed recoverable represents the maximum amount to be recovered based on the deliberations of the Recoveries Committee and the Executive Director and latest information available. The amounts include considerable sums which are subject to further analysis or explanation by the Secretariat and validation by the OIG. Part or all such amounts may be shifted to the management adjustments column following further deliberations of the Recoveries Committee and the Executive Director. For cases not yet fully resolved, the amounts in the 'written off', 'recovered' and 'commitment to repay' columns may not fully represent the amount ultimately recovered, as recovery work is still ongoing on a portion of the amount shown as 'net deemed recoverable'.

(5) Allocation reductions represent a means of resolving exceptionally difficult cases where all means of recovery have been exhausted. Upon approval by the Executive Director, a country's allocation may be reduced by a factor of 2:1, being two units of allocation reduction for every one unit of recoverable amount. The amounts in the table represent the recoverable amounts written off as a result of the application of allocation reductions.