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# Recoveries Report for the period ended 30 June 2020

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## 44<sup>th</sup> Board Meeting

GF/B44/14

11-12 November 2020, *Virtual*

### **Board Information**

Purpose of the paper: This report is provided to the Board for review pursuant to a decision of the Board at its forty-fourth meeting (GF/B44/DP04) and contains background information and an updated table regarding the status of non-compliant expenditures identified by the Office of the Inspector General (“OIG”) as of 30 June 2020, as well as recoverable amounts identified in the due course of grant management operations as of 30 June 2020. The OIG reports independently to the Board on the Secretariat’s progress on matters related to recoveries.

# Executive Summary

## Context

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. This paper provides a report on the current status of, and trends within, recoveries.

## Questions this paper addresses

- a) What is the current state of recoveries for OIG recoverables?
- b) What is the current state of recoveries for non-OIG recoverables?
- c) What is the turnaround time for cases?

## Conclusions

- a) During the first half of 2020, the total outstanding OIG recoverable balance, net of written commitments to repay, increased from US\$0.1 million to US\$0.45 million (NB: in July 2020, a further US\$0.45 million was received, effectively reducing the outstanding balance to zero). This is particularly noteworthy given the increased challenges COVID-19 creates for countries needing to reimburse the Global Fund.
- b) The non-OIG aggregate outstanding balance, net of written commitments to repay, amounted to US\$17.7 million. This amount is distributed amongst 88 grants in 39 countries, with a median net after commitments recoverable balance of US\$20,257.
- c) Turnaround times for new cases continue to improve compared to 'legacy' cases, i.e., pre-2014. Of the 3 open OIG cases, only one case pre-dates 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 returned more quickly than was the case pre-2015.

## Input Sought

There are no specific actions required for Secretariat, OIG, Board or Committees emanating from this report.

# I. Background

## 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 compromised by 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.

# II. Discussion

## 01 On-going recovery efforts and recoveries context

### Summary

During the first half of 2020, the total outstanding OIG recoverable balance, net of written commitments to repay, increased from US\$0.1 million to US\$0.45 million. In context, US\$0.45 million represents 0.1% of the aggregate recoverable amount since the inception of the recoveries process. This good result is due to an increase in resolution of recoveries cases and is particularly noteworthy for the period under review, given the increased challenges faced by many countries to reimburse the Global Fund (ref. COVID-19).

Of note, in July 2020, a further US\$0.45 million was received, effectively reducing the outstanding recoverable balance, net of written commitments to repay, to zero.

Turnaround times for new cases continue to improve, compared to 'legacy' (pre-2014) cases. Of the four open OIG cases, only one pre-dates 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 returned more quickly than was the case pre-2014.

The non-OIG aggregate outstanding balance, net of written commitments to repay, amounted to US\$17.7 million. This amount is distributed amongst 88 grants in 39 countries, with a median net after commitments recoverable balance of US\$20,257.

4. Table 1 presents detailed country-by-country data for OIG-reported open cases as of 30 June 2020.
5. Table 2 presents a summary of recoverable amounts identified in the course of grant management as of 30 June 2020.
6. Table 3 details OIG audit and investigation reports where supporting documentation at the time of the reports' issue was deemed insufficient to arrive at final recoverable amounts, and where follow-up work is ongoing to determine these.

### **OIG Recoverable Amounts**

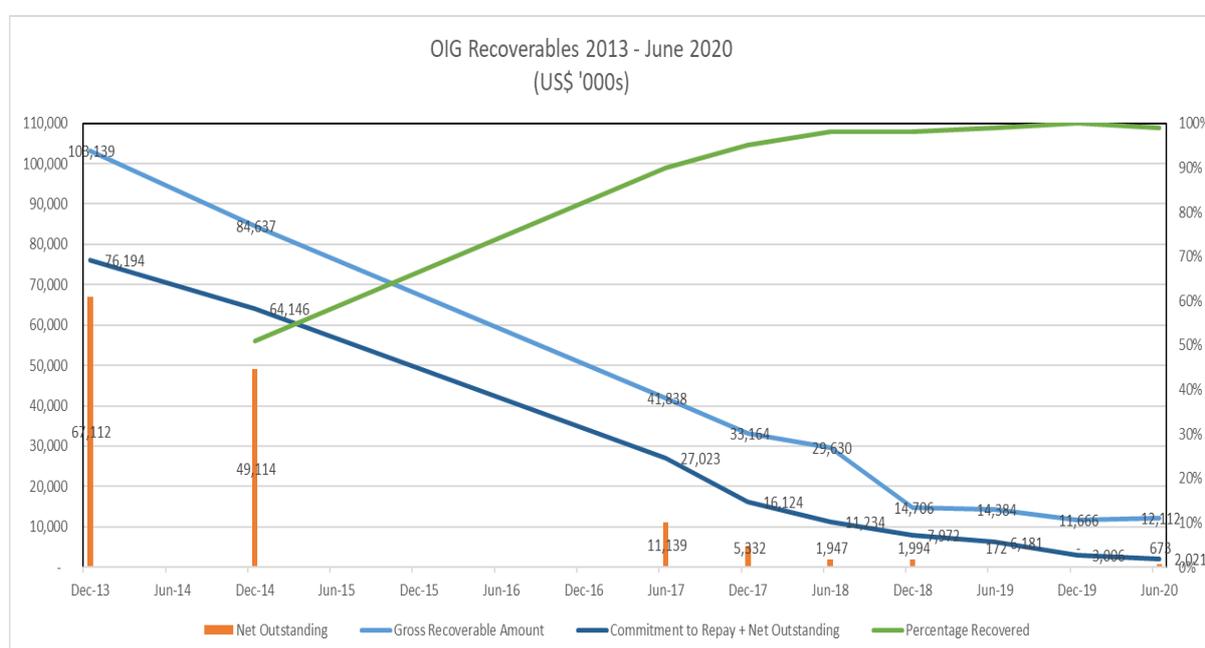
7. When the OIG publishes audit or investigation reports that include the identification of non-compliant expenditures, the Secretariat identifies an appropriate amount to recover, taking into account the Global Fund's legal right to recover, Global Fund policies and procedures, the financial loss to 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.
8. 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 its 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. The historical difference between total non-compliant expenditures and the proposed recoverable amounts identified in OIG investigation reports from March 2009 through 30 June 2020 amounted to US\$61.2 million (an increase of US\$1.4 million for the period ending 30 June 2020).
9. 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 Recoveries Committee review and subsequent recommendation to the Executive Director for approval.
10. During the six-month period ended 30 June 2020, one new investigation case was presented to Recoveries Committee, which explains an increase of US\$1.4 million between total non-compliant expenditures and the proposed recoverable amounts identified in OIG investigation reports for the period.
11. As of 30 June 2020, there were three OIG reports relating to: (1) an OIG audit of grants in the Democratic Republic of Congo implemented by Populations Services International (ref. Table 3); (2) an OIG investigation report of grants in Sierra Leone (proposed recoverable amount of US \$0.9 million); and (3) an OIG investigation report of salary fraud and abuse affecting Global Fund grants (proposed recoverable amount of US\$0.2 million), as well as kickbacks and other unauthorized uses of funds pending presentation to the Recoveries Committee.
12. The total outstanding recoverable balance, net of written commitments to repay, increased from US\$0.1 million to US\$0.45 million. Of note, in July 2020, a further US\$0.45 million was received, effectively reducing the outstanding recoverable balance, net of written commitments to repay, to zero.

13. Written commitments to repay amount to US\$1.6 million. Despite occasional short delays in transferring funds as per a country's contractual obligations to the Global Fund, repayments are largely on track.

	Commitment to Repay + Net Outstanding	Commitment to Repay	Net Recoverable Amount
Burkina Faso	1,202,197	1,202,197	-
Central African Republic	146,107	146,107	-
Mali	226,886	226,886	-
<b>TOTAL</b>	<b>1,575,190</b>	<b>1,575,190</b>	<b>-</b>

Nonetheless, it should be noted that residual credit risk remains until amounts due are fully settled.

14. Graph 1 below illustrates the evolution of the total gross amount deemed recoverable (all cases), the net recoverable outstanding amounts, and the percentage recovered for the previous six and a half years.



15. 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; the Global Fund is seeing considerable benefits as recoverable funds are returned more quickly than was the case pre-2014.

16. 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 differ from those presented in the financial statements due to the accounting method adopted to comply with IFRS requirements. For example, the OIG may release a 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 financial statements reporting on losses and recoveries uses the same underlying data as that presented within the tables below, and that a formal reconciliation process is implemented and validated through the Recoveries Committee.

## Non-OIG Recoverable Amounts

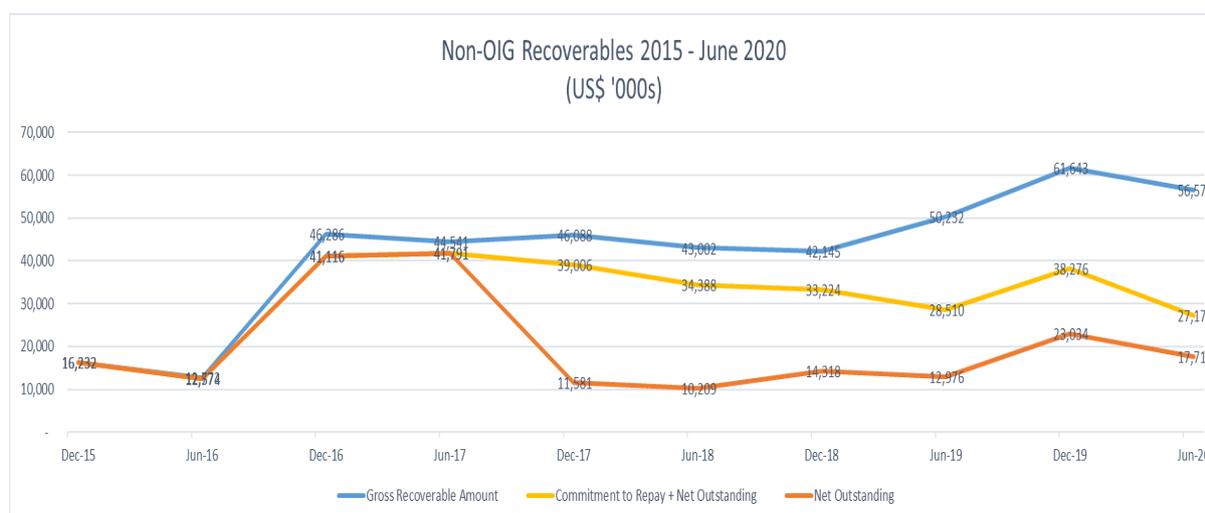
17. Non-OIG recoverable amount data is collected each quarter from Country Teams and offers a snapshot of a rolling total. In the event that they are not resolved within specified timeframes, these instances are reported to the Recoveries Committee for review and recommendation, in accordance with guidance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

As of 30 June 2020, the non-OIG aggregate outstanding balance, net of written commitments to repay, amounted to US\$17.7 million. This amount is distributed amongst 88 grants in 39 countries, with a median net after commitments recoverable balance of US\$20,257.

18. Of this US\$17.7 million, five Principal Recipients account for 59% of the total net outstanding amount due, as follows:

a) Cameroon – MOH	US\$863,984
b) Chad - FOSAP	US\$1,017,245
c) Guinea - CNLS	US\$4,713,042
d) Mozambique – MOH	US\$1,229,550
e) Nigeria – NACA	US\$2,639,828

19. Graph 2 below illustrates the evolution of the total gross amount deemed recoverable (all cases), the sum of all open commitments to repay and the net recoverable outstanding (represents the total amount still to be recovered), and the net recoverable outstanding amounts for the previous six and a half years.



## 2:1 Allocation Reduction

20. The first half of 2020 saw one further application of the so-called “2-for-1 allocation reduction” method to resolve particularly difficult cases, where all reasonable recovery approaches have failed to produce results. Allocation reductions represent a means available to the Secretariat of resolving such cases. Upon approval by the Executive Director, the country’s allocation is reduced by a factor of 2:1, being two units of allocation reduction for every one unit of recoverable amount.

21. The allocation reduction approach is only applied as a last resort. It produces a negative impact on the country's available budget to fight the three diseases. Additionally, the misused funds with respect to which the reduction is applied are not actually recovered. As a result, there may be less accountability and 'consequence' for an implementer who misspent funds.

22. As it is important that there is adequate visibility for cases where the 2-for-1 allocation reduction was applied, the one case that occurred during this period is described in the following paragraphs.

23. With respect to Guatemala, the recoverable amount of US\$50,505 in grant GTM-M-MSPAS arose from procurement irregularities identified by a number of audit reports. At the time, the Country Team requested the Principal Recipient, the Ministry of Public Health and Social Assistance (MSPAS), to provide justification or supporting documentation for this recoverable amount; however, MSPAS was unable to provide such justification or supporting documentation. The Country Team proposed that the repayment for the remaining amount of US\$50,505 in relation to the procurement of motorcycles be made through a reduction of Guatemala's 2017-2019 allocation in the amount of US\$101,010, or twice the amount outstanding. The Country Team was of the opinion that the proposed reduction would not have a major adverse effect on the malaria program, noting that the reduction can be applied to pivotal costs which are likely to be covered by national funding, such as the procurement of LLINs, therefore sending a strong signal to MSPAS without putting patient lives at risk.

#### **Post Script (Significant events occurring or expected after 30 June 2020)**

24. In July, the Government of the Senegal transferred EUR409,334 to the Global Fund in relation to a previously open OIG case.

## Annexes

Table 1: Recoveries Committee OIG cases with outstanding recoverable amounts as of 31 December 2019

Row Labels	Expenditures compromised by prohibited practices (USD)	Unsupported expenditures (USD)	Expenditures incurred outside of the scope or period of the grant (USD)	Expenditures relating to other types of non-compliance or mismanagement of grant funds (USD)	Uncategorised Expenditures (USD)	Management Adjustments (USD)	Gross Recoverable Amount (USD)	Written off (USD)	Allocation reduction (USD)	Recovered (USD)	Net Amount still to Recover (USD)	Commitment to repay (USD)	Net After Commitments (USD)
<b>CI Burkina Faso</b>													
BIUR-829-G28-HPD1	-	-	10,168,096	13,364	-	-	10,181,460	-	-	8,979,263	1,202,197	1,202,197	0
<b>CI Central African Republic</b>													
CAF-202-G01-H-COOP1	-	-	-	-	-	-	-	-	-	-	-	-	-
CAF-728-G05-HPD3	-	861,599	-	-	-	-	861,599	-	-	715,492	146,107	146,107	-
CAF-84-HPD1	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>CI Mali</b>													
MAL-405-G02-HPD1	2,210,233	-	-	-	-	1,986,977	623,257	-	-	396,281	226,976	226,976	-
<b>CI Senegal</b>													
SEN-7-AMHPD1	445,776	-	-	-	-	-	445,776	-	-	-	445,776	-	445,776
<b>TOTAL</b>	<b>2,655,890</b>	<b>861,599</b>	<b>10,168,096</b>	<b>13,364</b>	<b>-</b>	<b>1,986,977</b>	<b>12,111,972</b>	<b>-</b>	<b>-</b>	<b>10,001,006</b>	<b>2,010,966</b>	<b>1,575,190</b>	<b>445,776</b>

Table 2: Recoverable amounts identified and submitted to the Recoveries Committee in the ordinary course of grant management operations outstanding as of 31 December 2019

Row Labels	17	Expenditures compromised by prohibited practices (USD)	Unsupported expenditures (USD)	Expenditures incurred outside of the scope or period of the grant (USD)	Expenditures relating to other types of non-compliance or mismanagement of grant funds (USD)	Uncategorised Expenditures (USD)	Management Adjustments (USD)	Gross Recoverable Amount (USD)	Written off (USD)	Allocation reduction (USD)	Recovered (USD)	Net Amount still to Recover (USD)	Commitment to repay (USD)	Net After Commitments (USD)
CT Afghanistan														
AFG-705-G04-HP02		-	80,099	-	-	-	-	80,099	-	-	-	80,099	-	80,099
CT Bosnia														
BEN-306-G05-AM03		-	-	49,037	-	-	-	49,037	-	-	49,037	-	-	-
CT Burkundi														
BUR-C-UN00P01		-	5,695	835	-	-	-	6,695	-	-	-	6,695	-	6,695
BUR-H-PM03P01		16,898	46,630	-	-	-	-	63,328	-	-	-	63,328	-	63,328
BUR-M-UN00P01		5,346	10,132	-	-	-	-	15,477	-	-	-	15,477	-	15,477
CT Cameroon														
CMR-M-MC00P01		-	-	-	-	863,984	-	863,984	-	-	-	863,984	-	863,984
CT Central African Republic														
CAF-708-G05-HP03		-	111,253	-	-	-	-	111,253	-	-	-	111,253	111,253	-
CT Chad														
TCD-R03-G04-HP01		-	-	176,833	31,600	-	-	208,443	-	-	208,443	179,600	179,600	-
TCD-R03-G05-HP02		-	-	-	-	443,752	-	443,752	-	-	-	443,752	-	443,752
TCD-R03-G07-TP02		-	-	-	-	15,691	-	15,691	-	-	-	15,691	-	15,691
TCD-T13-G03-HP01		-	-	-	-	1,017,245	-	1,017,245	-	-	-	1,017,245	-	1,017,245
CT Congo														
CGG-T-MC00P01		-	-	-	-	5,804	-	5,804	-	-	-	5,804	-	5,804
CT Congo (Democratic Republic)														
COD-M-MC00P02		-	156,247	-	-	-	-	156,247	-	-	-	156,247	-	156,247
CT Côte d'Ivoire														
CIV-M-MC00P01		-	41,679	-	-	-	-	41,679	-	-	-	41,679	-	41,679
CIV-T-AC00P01		-	12,376	-	-	-	-	12,376	-	-	-	12,376	-	12,376
CT Fiji														
FJA-T-MC00P03		-	-	-	119,308	-	-	119,308	-	-	69,546	49,763	49,763	-
CT Ghana														
GHA-C-MC00P01		-	68,606	-	-	-	-	68,606	-	-	-	68,606	-	68,606
GHA-H-GAC00P01		-	-	-	499,788	-	-	499,788	-	-	410,863	88,925	88,925	88,925
GHA-H-MC00P01		-	-	-	32,728	-	-	32,728	-	-	-	32,728	-	32,728
GHA-M-MC00P03		-	-	-	27,404,985	-	-	27,404,985	-	-	23,400,000	4,004,985	4,000,000	4,985
GHA-M-MC00P04		-	78,705	-	-	-	-	78,705	-	-	-	78,705	-	78,705
GHA-T-MC00P02		-	-	-	1,238	-	-	1,238	-	-	-	1,238	-	1,238
CT Guatemala														
GTM-M-MC00P02		-	-	-	-	50,505	-	50,505	-	-	-	50,505	-	50,505
CT Guinea														
GIN-H-CM03P02		-	-	-	-	4,713,042	-	4,713,042	-	-	-	4,713,042	-	4,713,042
GIN-M-FC00P02		-	116,079	-	-	-	-	116,079	-	-	13,686	102,394	-	102,394
CT Guinea-Bissau														
GNB-H-SM03P01		-	104,789	-	-	-	-	104,789	-	-	-	104,789	-	104,789
CT Honduras														
HND-H-HP00P01		-	-	-	-	27,418	-	27,418	-	-	10,967	16,451	16,451	-
CT Kenya														
KEN-H-TM00P04		-	-	-	-	26,244	-	26,244	-	-	-	26,244	-	26,244
CT Lesotho														
LSO-C-MC00P01		-	-	230,172	-	-	-	230,172	-	-	194,166	36,007	36,007	-
CT Liberia														
LBR-R03-G07-HP02		-	-	209,697	-	-	-	209,697	-	-	-	209,697	-	209,697
LBR-C-MC00P01		55,193	-	-	-	297,493	-	352,686	-	-	53,586	299,100	-	299,100
LBR-M-MC00P02		-	18,204	-	-	-	-	18,204	-	-	-	18,204	-	18,204
LBR-M-MC00P03		-	2,200	-	-	-	-	2,200	-	-	-	2,200	-	2,200
LBR-M-MC00P04		-	-	-	-	9,875	-	9,875	-	-	-	9,875	-	9,875
CT Madagascar														
MAD-G-MC00P01		-	220,708	-	-	-	-	220,708	-	-	-	220,708	-	220,708
CT Mali														
MAL-R03-G03-HP01		-	-	757,507	-	-	-	757,507	-	-	597,408	160,099	160,099	-

Table 2 (continued): Recoverable amounts identified and submitted to the Recoveries Committee in the ordinary course of grant management operations outstanding as of 31 December 2019

Row Labels	17	Expenditures comprised by prohibited practices (USD)	Unsupported expenditures (USD)	Expenditures incurred outside of the scope or period of the grant (USD)	Expenditures relating to other types of non-compliance or mismanagement of grant funds (USD)	Uncategorised Expenditures (USD)	Management Adjustments (USD)	Gross Recoverable Amount (USD)	Written off (USD)	Allocation reduction (USD)	Recovered (USD)	Net Amount still to Recover (USD)	Commitment to repay (USD)	Net After Commitments (USD)
<b>CT Myanmar</b>														
MDZ-09-0363P02			275,062	-	684,508	-	-	959,570	-	-	26,861	886,779	156,320	729,659
MDZ-C-RC001			-	-	457,076	-	-	457,076	-	-	-	457,076	-	457,076
MDZ-H-MCH001		6,508	262,282	-	807,865	-	-	1,076,655	-	-	241,801	1,318,456	67,873	1,250,583
MDZ-H-MCH002		-	367,212	-	-	-	-	247,212	-	-	-	247,212	-	247,212
MDZ-H-MCH001		-	18,486	-	563,935	-	-	582,421	-	-	375,490	206,931	1,88,324	98,607
MDZ-H-MCH002		-	384,595	-	-	-	-	384,595	-	-	-	384,595	-	384,595
MDZ-H-MCH001		-	-	-	1,077,990	-	-	1,077,990	-	-	-	1,077,990	-	1,077,990
MDZ-T-MCH001		-	152,504	-	382,256	-	-	534,760	-	-	377,560	157,200	147,729	109,471
MDZ-T-MCH002		-	101,140	-	-	-	-	101,140	-	-	-	101,140	-	101,140
<b>CT Maldivian PECA PCRD</b>														
DMZ-H-REU001		-	-	13,261	-	-	-	13,261	-	-	2,711	10,550	10,550	-
<b>CT Maldivian RMI1 UNIC</b>														
DMZ-T-MCH001		-	325,795	-	-	-	-	325,795	-	-	141,499	184,297	184,297	(0)
<b>CT Maldivian RMI5 BAI</b>														
DMZ-M-LAND002		-	-	-	79,724	-	-	79,724	-	-	-	79,724	-	79,724
<b>CT Myanmar</b>														
ADM-T-LAND001		-	-	-	9,816	-	-	9,816	-	-	-	9,816	-	9,816
<b>CT Nepal</b>														
NRH-212-0071H02		-	-	146,472	-	-	22,189	168,661	-	-	-	168,661	-	168,661
<b>CT Nepal</b>														
NEP-H-NEAC001		-	-	-	278,548	-	-	278,548	-	-	72,827	205,721	-	205,721
NEP-H-RECO001		-	-	-	554,111	-	-	554,111	-	-	3,782	54,679	-	54,679
NEP-T-INT001		-	-	-	62,700	-	-	62,700	-	-	19,075	43,625	-	43,625
<b>CT Niger</b>														
NER-H-FACT001		1,252	-	-	-	-	-	1,252	-	-	-	1,252	-	1,252
NER-T-SC001		10,816	9,584	-	-	-	-	20,400	-	-	-	20,400	-	20,400
<b>CT Nigeria</b>														
NSA-H-NEAC002		-	-	-	712,773	-	-	712,773	-	-	-	712,773	-	712,773
NSA-H-NEAC001		-	270,515	1,512,855	-	-	-	2,283,370	-	-	54,289	2,337,659	235,647	2,102,012
NSA-H-NM001		-	-	715,828	-	-	-	715,828	-	-	-	715,828	-	715,828
<b>CT North Macedonia</b>														
MRD-014-0041P02		-	-	19,880	-	-	-	19,880	-	-	-	19,880	-	19,880
MRD-H-MCH002		-	-	6,840	-	-	-	6,840	-	-	-	6,840	-	6,840
<b>CT Pakistan</b>														
PAK-H-NEAC002		-	-	19,534	-	-	-	19,534	-	-	928	18,606	-	18,606
PAK-H-DO001		-	-	6,894	-	-	-	6,894	-	-	5,815	1,079	-	1,079
PAK-T-INT001		-	-	58,211	-	6,258	-	64,469	-	-	-	64,469	-	64,469
PAK-T-INT002		-	-	59,025	-	-	-	59,025	-	-	-	59,025	-	59,025
PAK-T-INT003		-	103,140	-	-	-	-	103,140	-	-	-	103,140	-	103,140
PAK-T-TM001		-	-	463,395	-	-	-	463,395	-	-	280,085	183,310	168,085	15,225
<b>CT Senegal</b>														
SEN-H-PH001		-	64,178	-	1,122	-	-	65,300	-	-	66,485	-	-	66,485
SEN-H-EL001		-	141,341	-	-	-	-	141,341	-	-	141,341	-	-	141,341
SEN-T-INT001		-	1,795	-	2,789	-	-	4,584	-	-	4,584	-	-	4,584
<b>CT Sierra Leone</b>														
SLE-H-AS001		-	-	-	245,833	-	-	245,833	-	-	-	245,833	-	245,833
SLE-H-MCH002		-	9,053	-	1,928,616	-	-	1,937,669	-	-	-	1,937,669	-	1,937,669
SLE-T-MCH001		30,460	3,565	-	146,292	-	-	180,317	-	-	152,217	28,100	-	28,100
<b>CT Tanzania (Donor Reportable)</b>														
TZA-015-0018P01		-	-	-	653,717	-	-	653,717	-	-	270,544	383,173	-	383,173
TZA-C-ST001		-	-	-	51,671	-	-	51,671	-	-	-	51,671	-	51,671
TZA-H-MCH002		-	153,147	-	251,855	104,122	-	509,124	-	-	17,267	521,857	251,855	270,002
TZA-H-MCH004		-	-	-	-	61,742	-	61,742	-	-	-	61,742	-	61,742
<b>CT Thailand</b>														
THA-C-INT001		-	-	-	406,515	-	-	406,515	-	-	-	406,515	-	406,515
<b>CT Thailand</b>														
THA-H-MCH003		-	6,826	-	-	-	-	6,826	-	-	-	6,826	-	6,826
THA-H-MCH002		-	10,708	-	-	-	-	10,708	-	-	-	10,708	-	10,708
THA-T-MCH001		-	1,198	-	-	-	-	1,198	-	-	-	1,198	-	1,198
<b>CT Uganda</b>														
UGA-C-TAC001		-	-	-	396,663	-	-	396,663	-	-	-	396,663	-	396,663
UGA-H-MCH001		-	-	-	12,728	-	-	12,728	-	-	-	12,728	-	12,728
UGA-H-MCH002		-	-	-	23,497	-	-	23,497	-	-	-	23,497	-	23,497
UGA-H-TAC001		-	-	-	4,340	-	-	4,340	-	-	-	4,340	-	4,340
UGA-T-TAC001		-	-	-	14,583	-	-	14,583	-	-	-	14,583	-	14,583
<b>CT Viet Nam</b>														
VNM-H-VAM004		-	-	-	223,370	-	-	223,370	-	-	101,957	121,413	-	121,413
VNM-H-VAM002		-	-	-	5,517	-	-	5,517	-	-	-	5,517	-	5,517
<b>CT Zambia</b>														
ZMB-H-LAND001		4,098,025	-	-	-	-	193,209	4,291,234	-	-	1,800,000	2,491,234	2,704,756	1,586,478
<b>TOTAL</b>		<b>4,098,025</b>	<b>5,682,279</b>	<b>4,788,829</b>	<b>41,380,848</b>	<b>1,982,849</b>	<b>277,259</b>	<b>56,572,298</b>	<b>-</b>	<b>-</b>	<b>25,482,448</b>	<b>31,089,850</b>	<b>9,198,681</b>	<b>21,891,169</b>

Table 3: OIG audit & investigation reports pending for the Recoveries Committee as of 30 June 2020

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.

<b>AUDITS</b>						
<b>Country</b>	<b>Report Issue Date</b>	<b>OIG Initial ReportedAmount</b>	<b>Reclassified Amount</b>	<b>Current Recoverable Amount</b>	<b>Amount Still Under Review</b>	<b>Status</b>
DRC - PSI	04-May-20	US\$ 6,200,000	TBD	TBD	TBD	Additional follow-up work currently being undertaken by the Secretariat
<b>INVESTIGATIONS</b>						
<b>Country</b>	<b>Report Issue Date</b>	<b>OIG Initial ReportedAmount</b>	<b>Reclassified Amount</b>	<b>Current Recoverable Amount</b>	<b>Amount Still Under Review</b>	<b>Status</b>
N/A						

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 tables:**

- (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.