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A Beginner's Guide to the Global Fund: Two-Page Summary July 2009

This is a condensed two-page version of A Beginner's Guide to the Global Fund. This version, the full-version and an eight-page summary of the full version are all available at www.aidspan.org/guides. This guide has been written by Aidspan, not the Global Fund.

What is the Global Fund? The Global Fund to Fight AIDS, Tuberculosis and Malaria, established in 2002, is an innovative multi-billion-dollar international financing mechanism intended to help advance the fight against these three diseases by dramatically increasing the availability of funding and by directing money to areas of greatest need. The Global Fund operates as a partnership between governments, development agencies, civil society, the private sector (including businesses and foundations) and affected communities.

By 30 May 2009, the Global Fund had signed 939 grant agreements worth US\$ 11.3 billion. The Global Fund estimates that by June 2009 programmes supported by the Fund had resulted in 2.3 million people receiving antiretroviral HIV treatment, 5.4 million people receiving TB treatment, and 88 million insecticide-treated bed nets being distributed.

The Global Fund operates as a financing instrument, not an implementing entity. The Fund is country-driven (i.e., it is the country that proposes what will be done with the money) and performance-based (i.e., funds are only disbursed if the grants are performing well).

How is the Global Fund structured? At the global level, there is a Board and a Secretariat, plus advisory bodies such as the Technical Review Panel (TRP), which reviews proposals for technical merit and recommends which ones the Board should fund.

The Global Fund does not maintain country offices. Nevertheless, the following structures make up the "Global Fund architecture" in each implementing country:

- **Country Coordinating Mechanisms (CCMs)**, responsible for developing and submitting proposals to the Global Fund; for nominating one or more organisations to serve as principal recipients (PRs); and for overseeing each PR's progress in implementing programmes funded by the grant. Each CCM is made up of representatives from both the public and private sectors, including the national government, multilateral or bilateral development agencies, NGOs, faith-based organisations (FBOs), academic institutions, private businesses and people living with the diseases.
- **PRs and Sub-Recipients (SRs)**. PRs are responsible for implementing grants emanating from proposals that have been approved by the Global Fund. SRs are responsible for implementing portions of a grant, and report directly to the PR.

- Local Fund Agents (LFAs), hired by the Global Fund to evaluate the financial management and administrative capacity of the nominated PR(s), and to verify and report on grant performance.

Finances. The Global Fund raises the bulk of its funds from governments of donor countries, most of whom represent the richer economies of Europe, North America and Asia. Other sources of funding include donations from the corporate sector and public and private foundations. By 30 May 2009, the Global Fund had received US\$ 13.5 billion from donors, plus an addition \$6.9 billion in pledges. By that same date, the Fund had committed to spend \$15.6 billion, of which it had actually spent \$7.8 billion.

The applications process. CCMs and certain other mechanisms can submit applications to the Global Fund under the rounds-based channel (there has been about one round each year) and the rolling continuation channel (which allows expiring well-performing grants to be extended). The Fund has recently introduced (on a pilot basis) applications based on the national strategy for the disease.

The grant implementation process. Proposals to the Global Fund usually cover a five-year period. At the outset, funding is only committed for the first two years. Once a proposal is approved, certain processes are initiated, including the assignment of a fund portfolio manager and an LFA by the Secretariat, an assessment of the PR's capacities, and the development by the PR of a procurement and supply management plan and a monitoring and evaluation plan – and culminating in the signing of a Grant Agreement. Separate Grant Agreements are signed with each of the PRs nominated in the proposal.

Once the Grant Agreement is signed, the Global Fund provides the PR with the first instalment of the grant. During implementation of a grant, the PR is required to provide the Global Fund, via the LFA, with regular progress updates and requests for disbursements to cover the next reporting period. Before the end of Phase 1 of the grant, the original applicant must submit a Request for Continued Funding for the remaining term of the grant.

Reporting and evaluating. The Global Fund periodically issues reports on how the Fund is doing, including annual reports, global progress reports and regional reports. In 2009, the Global Fund completed a major evaluation of its performance.

Want to know more?

Consult the full version of A Beginner's Guide to the Global Fund, or the eight-page summary version, both available at www.aidspace.org/guides.