



**An independent watchdog of the Global Fund, and publisher of *Global Fund Observer***

P.O. Box 66869-00800, Nairobi, Kenya    web: [www.aidspan.org](http://www.aidspan.org)    Email: [info@aidspan.org](mailto:info@aidspan.org)  
Switchboard: +254-20-445-4321    Fax: +254-20-444-0880

# **A Beginner's Guide to the Global Fund**

## **Full Version**

**July 2009**

by

**David Garmaise**

*Copyright © July 2009 by Aidspan. All rights reserved.*

# Table of Contents

Preface.....	4
List of Abbreviations.....	6
<b>Chapter 1: Introduction to This Guide .....</b>	<b>7</b>
Purpose of This Guide.....	7
Contents of This Guide.....	7
Terminology Used in This Guide .....	8
<b>Chapter 2: Introduction to the Global Fund.....</b>	<b>9</b>
What Is the Global Fund?.....	9
History of the Global Fund.....	9
Key Accomplishments .....	9
Core Principles .....	10
What Initiatives Will the Global Fund Support? .....	11
<b>Chapter 3: Structure of the Global Fund – Global Level .....</b>	<b>13</b>
Global Fund Board.....	13
Global Fund Secretariat.....	15
Technical Review Panel .....	17
Technical Evaluation Reference Group.....	17
Office of the Inspector General.....	18
Partnership Forum .....	18
MyGlobalFund .....	19
<b>Chapter 4: Structure of the Global Fund – In-Country .....</b>	<b>20</b>
Country Coordinating Mechanisms .....	20
Principal Recipients and Sub-Recipients.....	20
Local Fund Agents.....	21
<b>Chapter 5: Partnerships .....</b>	<b>22</b>
Development Partners.....	22
Civil Society .....	22
Private Sector .....	23
Friends of the Global Fund .....	23
<b>Chapter 6: Funds Raised by the Global Fund .....</b>	<b>25</b>
Amount of Money Raised .....	25
Voluntary Replenishment Mechanism for Donor Countries .....	26
Other Sources of Funding.....	26
The Funding Gap.....	27
<b>Chapter 7: Funds Committed and Spent by the Global Fund.....</b>	<b>29</b>
Funds Committed .....	29
Funds Spent .....	30

<b>Chapter 8: The Global Fund’s Application Process .....</b>	<b>32</b>
Who Can apply? .....	32
Rounds-Based Channel.....	35
Rolling Continuation Channel .....	37
National Strategy Applications.....	39
Other Funding Mechanisms Being Considered.....	39
<b>Chapter 9: Country Coordinating Mechanisms .....</b>	<b>41</b>
Responsibilities of CCMs.....	41
How CCMs Function.....	41
Global Fund Guidance on CCMs.....	42
<b>Chapter 10: Proposal Development Processes In-Country .....</b>	<b>45</b>
Putting the Proposal Together.....	45
Identifying PRs and SRs.....	46
<b>Chapter 11: The Grant Implementation Process.....</b>	<b>48</b>
Assignment of a Fund Portfolio Manager .....	48
Selection of the Local Fund Agent.....	48
PR Assessment .....	48
Grant Agreement .....	49
Ongoing Reporting, Reviews and Disbursements.....	50
Grant Performance Report .....	51
Phase 2 Renewal.....	51
Grant Consolidation .....	52
Procurement and Supply Management.....	52
Monitoring and Evaluation .....	53
<b>Chapter 12: Reporting on Progress .....</b>	<b>55</b>
<b>Chapter 13: Evaluations of the Global Fund .....</b>	<b>56</b>
The Five-Year Evaluation .....	56

## Preface

This guide is one of over a dozen free Aidspan publications written for those applying for, implementing, or supporting grants from the *Global Fund to Fight AIDS, Tuberculosis and Malaria* (the Global Fund). The following is a list of Aidspan's more recent publications:

- ***Global Fund Observer***: A free email newsletter providing news, analysis and commentary to over 8,000 subscribers in 170 countries (over 100 issues in the past seven years; currently available in English only)
- ***The Aidspan Guide on the Roles and Responsibilities of CCMs in Grant Oversight*** (March 2009; available in English, French, Spanish and Russian)
- ***Aidspan Report: Key Strengths of Round 8 Proposals to the Global Fund*** (February 2009; available in English, French, Spanish and Russian)
- ***Aidspan Report: An Analysis of Global Fund Grant Ratings*** (November 2008; available in English only)
- ***Aidspan White Paper: Scaling Up To Meet the Need: Overcoming Barriers to the Development of Bold Global Fund-Financed Programs*** (April 2008; available in English only)
- ***Aidspan White Paper: Providing Improved Technical Support To Enhance the Effectiveness of Global Fund Grants*** (March 2008; available in English only)
- ***The Aidspan Guide to Round 8 Applications to the Global Fund – Volume 1: Getting a Head Start*** (January 2008; available in English, French and Spanish)
- ***The Aidspan Guide to Round 8 Applications to the Global Fund – Volume 2: The Applications Process and the Proposal Form*** (March 2008; available in English, French and Spanish)
- ***Aidspan Documents for In-Country Submissions*** (December 2007; available in English, French, Spanish and Russian)
- ***The Aidspan Guide to Building and Running an Effective Country Coordinating Mechanism (CCM)*** (Second edition September 2007; available in English, French and Spanish)
- ***The Aidspan Guide to Understanding Global Fund Processes for Grant Implementation – Volume 1: From Grant Approval to Signing the Grant Agreement*** (First edition December 2005; originally titled “*The Aidspan Guide to Effective Implementation of Global Fund Grants*”; available in English only)
- ***The Aidspan Guide to Understanding Global Fund Processes for Grant Implementation – Volume 2: From First Disbursement to Phase 2 Renewal*** (November 2007; available in English, French and Spanish)

### Downloads

To download a copy of any of these publications, go to [www.aidspan.org/publications](http://www.aidspan.org/publications). If you don't have access to the web but you do have access to email, send a request to [publications@aidspan.org](mailto:publications@aidspan.org) specifying which of the currently-available publications you would like to receive as attachments to an email. Aidspan does not produce or distribute printed copies of these publications.

## **Aidspan**

Aidspan is an NGO originally based in New York, U.S. but, since mid-2007, based in Nairobi, Kenya. Its mission is to reinforce the effectiveness of the *Global Fund to Fight AIDS, Tuberculosis and Malaria*. Aidspan performs this mission by serving as an independent watchdog of the Fund, and by providing services that can benefit all countries wishing to obtain and make effective use of Global Fund financing.

Aidspan also publishes the *Global Fund Observer (GFO)* newsletter, an independent email-based source of news, analysis and commentary about the Global Fund. To receive GFO at no charge, send an email to [receive-gfo-newsletter@aidspan.org](mailto:receive-gfo-newsletter@aidspan.org). The subject line and text area can be left blank.

Aidspan finances its work primarily through grants from foundations. Aidspan does not accept Global Fund money, perform paid consulting work or charge for any of its products.

Aidspan and the Global Fund maintain a positive working relationship, but have no formal connection. *The Board, staff and other structures of the Global Fund have no influence on, and bear no responsibility for, the content of this guide or of any other Aidspan publication.*

## **Acknowledgements, Permissions, Feedback**

Aidspan thanks its funders for the support they have provided for 2003-2008 operations – The Monument Trust, Dr. Albert and Mrs. Monique Heijn, the Open Society Institute, Irish Aid, the Foundation for the Treatment of Children with AIDS, the Norwegian Foreign Ministry, Merck & Co., UNAIDS, Anglo American, the Glaser Progress Foundation, the John M. Lloyd Foundation, the MAC AIDS Fund, GTZ, and two private donors.

David Garmaise, author of this guide, can be reached at [garmaise@aidspan.org](mailto:garmaise@aidspan.org). Bernard Rivers, Executive Director of Aidspan, can be reached at [rivers@aidspan.org](mailto:rivers@aidspan.org). David Garmaise, who is based in Thailand, works half time as Aidspan's Senior Analyst. Over the last five years he has authored, co-authored or edited numerous Aidspan reports and guides.

The author wishes to note that a considerable amount of the information in this guide was taken from the website of the Global Fund; and wishes to thank all those who were involved in reviewing a draft of this guide.

Permission is granted to reproduce, print, or quote from this guide, in whole or in part, if the following is stated: "Reproduced from the Aidspan publication, 'A Beginner's Guide to the Global Fund,' available at [www.aidspan.org/guides](http://www.aidspan.org/guides)."

If you find this guide useful, or if you have appreciated *Global Fund Observer* or any other Aidspan publication, *please let us know*. Feedback of all kinds is always helpful.

## List of Abbreviations

The following is a list of the most common abbreviations used in this guide:

CCM	Country coordinating mechanism
FAQ	Frequently asked questions
FBO	Faith-based organisation
GFO	Global Fund Observer
LFA	Local fund agent
M&E	Monitoring and evaluation
NGO	Non-governmental organisation
Non-CCM	Non-country coordinating mechanism
PR	Principal recipient
RCM	Regional coordinating mechanism
RO	Regional organisation
SR	Sub-recipient
Sub-CCM	Sub-national country coordinating mechanism
TB	Tuberculosis
TRP	Technical Review Panel
UNAIDS	Joint United Nations Programme on HIV and AIDS
WHO	World Health Organization

# Chapter 1: Introduction to This Guide

*This chapter describes the purpose of this guide, explains how to use the guide and provides explanations of some of the terms frequently used in the guide.*

## Purpose of This Guide

The purpose of this guide is to provide a broad introduction to the Global Fund for people who have little or no prior experience of the Fund – ranging from new CCM members, to NGOs, to government officials, to new sub-recipients, to journalists who have to write about the Fund.

## Contents of This Guide

Following this introductory chapter, there are 12 chapters describing different aspects of the Global Fund.

**Chapter 2: Introduction to the Global Fund** provides some very general information about the Global Fund, including a brief history of the Fund, an overview of its key accomplishments; a list of the Fund's core principles; and a description of what kinds of initiatives the Global Fund is prepared to support.

Chapters 3 and 4 outline the structure of the Fund. **Chapter 3: Structure of the Global Fund – Global Level** describes the Global Fund Board, and Board committees; the Global Fund Secretariat; the Technical Review Panel, the Technical Evaluation Reference Group; the Office of the Inspector General; and the Partnership Forum. **Chapter 4: Structure of the Global Fund – In-Country** describes the role of country coordinating mechanisms, principal recipients, sub-recipients and local fund agents.

**Chapter 5: Partnerships** explains the kinds of partnerships the Fund nourishes, and includes a description of the roles of development partners, civil society and the private sector. This chapter also lists the Friends of the Global Fund organisations that have been established.

Chapters 6 and 7 are about funds raised, committed and spent by the Global Fund. **Chapter 6: Funds Raised by the Global Fund** explains how much money the Global Fund has raised; describes the main mechanism that the Fund uses to raise money from donor governments; lists other sources of funding; and describes the gap between what the Fund has raised and its fundraising targets. **Chapter 7: Funds Committed and Spent by the Global Fund** provides information on funds committed and spent to date through the rounds-based channel and the rolling continuation channel.

**Chapter 8: The Global Fund's Application Process** describes the process for applying for grants from the Global Fund, and includes sections on who can apply, the rounds-based channel, the rolling continuation channel, and other funding mechanisms under development or consideration.

**Chapter 9: Country Coordinating Mechanisms** describes the centrepiece of the Global Fund structure at country level. The chapter includes sections on the responsibilities of CCMs and how they function, and on guidance the Global Fund has provided for CCMs.

**Chapter 10: Proposal Development Process in-Country** describes the processes that many CCMs follow for the development of their proposals; lists the Global Fund requirements with respect to proposal development; and discusses what is involved in putting the proposal together, and in identifying the principal recipients and sub-recipients.

**Chapter 11: The Grant Implementation Process** provides an overview of the grant implementation process, and includes sections on assignment of a portfolio manager at the Global Fund Secretariat; selection of the local fund agent; assessment of the nominated principal recipient; signing of the grant agreement; ongoing reporting, reviews and disbursements; preparation of the grant performance report; and phase 2 renewal. The chapter also discusses other topics related to implementation, including: grant consolidation, procurement and supply management, and monitoring and evaluation.

**Chapter 12: Reporting on Progress** briefly describes the different kinds of progress reports issued by the Global Fund.

**Chapter 13: Evaluations of the Global Fund** provides a brief overview of the evaluations of the Global Fund that have been conducted.

**Note:** Copies of this guide are available at [www.aidspace.org/guides](http://www.aidspace.org/guides). Two shorter versions of this guide – an eight-page summary and a two-page summary – are also available on that site. French-, Spanish- and Russian-language versions of all three publications are posted on the site within a few weeks of the English-language version being posted.

## Terminology Used in This Guide

The following is a list of some of the terms used frequently in this guide, with an explanation of what each term means.

**Civil society.** This includes NGOs (domestic and international), faith-based organisations (FBOs), academic and educational institutions, and organisations representing people living with the diseases. It does not include the private sector or governmental entities.

**Multi-sectoral partnerships.** This refers to partnerships involving the various sectors that interact with the Global Fund, whether in the Fund's governance, in the applications process or in the implementation of the Fund's grants. The sectors include government, development agencies, NGOs, FBOs, academia and the private sector.

Terms such as “**grant performance**” and “**grant implementation**” are shorthand for, respectively, the performance and the implementation of programmes funded through Global Fund grants.

## Chapter 2: Introduction to the Global Fund

*This chapter provides some very general information about the Global Fund, including a brief history of the Fund, an overview of its key accomplishments, and a list of the Fund's core principles. The chapter also describes what kinds of initiatives the Fund is prepared to support.*

### What Is the Global Fund?

The Global Fund to Fight AIDS, Tuberculosis and Malaria is a 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 represents an innovative approach to international health financing. The Global Fund operates as a partnership between governments, civil society, the private sector (including businesses and foundations) and affected communities.

### History of the Global Fund

The following is a brief summary of how the Global Fund came to be:

- At their summit meeting in Okinawa, Japan in 2000, the leaders of the G8 countries acknowledged the need for significantly greater resources to fight AIDS, tuberculosis and malaria. (At that point, very few people in developing countries had access to treatment for HIV, TB or malaria.)
- Addressing the African Summit on AIDS in April 2001 in Abuja, Nigeria, then U.N. Secretary General Kofi Annan called for the creation of a global trust fund to raise additional money.
- In June 2001, a U.N. General Assembly Special Session on AIDS concluded with a commitment to create such a fund.
- A transitional working group was formed to develop a framework for how the Global Fund would be structured and would operate.
- A permanent secretariat was established in Geneva, Switzerland in January 2002.
- Just three months later, the Global Fund Board approved the first round of grants to 36 countries.

### Key Accomplishments

By 30 May 2009, the Global Fund had signed 939 grant agreements worth US\$ 11.3 billion. A total of US\$ 7.8 billion had been disbursed to grant recipients. The Global Fund estimates that by June 2009 Global Fund-supported programmes had resulted in:

- 2.3 million people receiving antiretroviral (ARV) treatment for HIV;
- 5.4 million people receiving effective tuberculosis (TB) treatment; and
- 88 million insecticide-treated bed nets (ITNs) being distributed to protect families from malaria.

The Global Fund further estimates that by June 2009:

- 79 million people had been reached with HIV counselling and testing;
- 537,000 HIV-positive pregnant women had received treatment to halt mother-to-child transmission of HIV;
- 10 million health or community workers had been trained to deliver services;
- 3.7 million orphans and vulnerable children had been provided with basic care and support; and
- 110 million people had been reached with community outreach services.

As indicated above, these accomplishments are attributable to programmes that the Global Fund supported. This does not mean that the Global Fund alone can take credit for this; many of these programmes were also supported by national governments and other donors.

## Core Principles

The following is a brief description of the core principles that define the underlying philosophy of the Global Fund:

1. **Financing instrument.** The Global Fund operates as a financing instrument, not an implementing entity.
2. **National ownership.** The Global Fund is country-driven. The Fund does not say, “We will give you a grant if you use it in the way that we instruct.” Instead, the Fund in effect says, “What will you do if you receive a grant? What results will you achieve? If we believe that you can indeed achieve those results, if we believe that the results represent good value, and if we have enough money, we’ll give you the grant.” Thus, it is the country, not the Fund, that proposes what will be done, and the Fund then decides whether to finance those activities.
3. **Partnerships.** At both the global and country levels, the Global Fund is designed to work through partnerships involving different sectors (e.g., government, NGOs and the private sector). In Global Fund jargon, these are referred to as “multi-sectoral partnerships.” The key significance of this is that when the Fund says that it is funding activities chosen by a “country,” its relationship is not just with the government of that country.
4. **Additionality.** A key principle of the Global Fund is that the funding it will make available is additional to existing funding – and that it will not simply take the place of existing funding.
5. **Performance-based funding.** Once a grant agreement is signed, an initial disbursement (i.e., some start-up funds) is provided to the organisation implementing the programme. Subsequent disbursements are conditional on the organisation being able to demonstrate that adequate progress towards previously-agreed targets has been made in implementing the programme.
6. **Independent reviews.** Proposals are evaluated not by Global Fund staff or board members, but rather by an independent review panel.
7. **Balance.** The Global Fund is committed to achieving an appropriate balance in terms of the support it provides to different regions and diseases, and in terms of the types of initiatives that it supports (e.g., prevention, treatment, care).
8. **Transparency and accountability.** The Global Fund is committed to ensuring that its own operations, and those of its grant recipients, are transparent and that the

Fund is accountable to its stakeholders (e.g., donor countries, countries receiving grants, civil society) for producing results.

9. **Gender equality.** The Global Fund is committed to the promotion of gender equality, with respect both to the programmes it funds and to the structure and operations of the Fund itself. (This has only recently been formally acknowledged as a core principle.)

## What Initiatives Will the Global Fund Support?

The Global Fund provides money to finance a wide range of activities related to the prevention of the three diseases; and to the care, treatment and support of people infected with, or affected by, the diseases. This includes operational research<sup>1</sup> to improve service delivery; however, the Global Fund does not support basic science and clinical research aimed at testing or demonstrating the safety and efficacy of new drugs and vaccines.

The Global Fund also supports a wide array of activities designed to strengthen the health care delivery system (in Global Fund jargon, this is referred to as “health systems strengthening”). However, the Fund does not support large-scale capital investments, such as building hospitals.

[See the “Want to know more?” box on the next page.]

---

<sup>1</sup> In this context, operational research refers to the scientific analysis of the efficiency and effectiveness of services and programmes.

### **Want to know more?**

A more detailed **history** of the founding of the Global Fund is available in the six U.N. languages by going to the Fund's website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Who We Are tab, and then clicking on "About the Global Fund" and "History" in the left-hand menu; or by clicking [here](#) for the English version.

The Global Fund has produced a **generic brochure**. *Global Fund: Who We Are, What We Do* is available in English, French, Spanish, Russian, Chinese, German and Japanese by going to the Fund's website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Media Center tab, and then clicking on "Publications" and then "Brochure" in the left-hand menu; or by clicking [here](#) for the English version.

The Global Fund has not attempted to provide an exhaustive list of the types of **initiatives it will support**. However it has provided examples of such initiatives. See "Annex 3: What the Global Fund Will Support," in *Guidelines for Proposals: Round 9 Call for Proposals*, available in the six U.N. languages by going to the Fund's website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Applicants and Implementers tab, and then clicking on "Round 9" and then "Single Country Documentation" in the left-hand menu; or by clicking [here](#) for the English version.

The Global Fund provides a full **progress report** on results about once a year. See *Scaling Up for Impact – Results Report*, March 2009, available in English only by going to the Fund's website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Media Center tab, and then clicking on "Publications" and "Progress Report" in the left-hand menu; or by clicking [here](#). Other results reports are available on the same page.

The Global Fund also issues an **annual report**. Copies of the latest annual report (for 2008) and of previous annual reports, all in English only, are available by going to the Fund's website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Media Centre tab, and then clicking on "Publications" and "Annual Reports" in the left-hand menu; or by clicking [here](#).

For the last two years, the Global Fund has issued a **fact sheet on ARVs** on World AIDS Day (1 December). The 2008 fact sheet indicates (among other things) the number of people receiving ARVs through Global Fund grants, globally, by region and by country. It is available, in English only, by going to the Fund's website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Who Are We tab, and then clicking on "Our Performance" and "Our Results" in the left-hand menu; or by clicking [here](#).

## Chapter 3: Structure of the Global Fund – Global Level

*This chapter explains how the Global Fund is structured at the global level. It describes the Global Fund Board (and Board committees); the Global Fund Secretariat; the Technical Review Panel, the Technical Evaluation Reference Group; the Office of the Inspector General; and the Partnership Forum.*

### Global Fund Board

The Board is responsible for the overall governance of the organisation, including approval of grants. The Board includes representatives of donor country governments; developing country governments (also known as “implementing” country governments – i.e., governments of countries receiving grants); NGOs; the private sector (including businesses and foundations); and affected communities (i.e., people living with the diseases).

The Board is made up of 20 voting members and six non-voting members. The 20 voting members consist of representatives from three “blocs”: donor governments (eight representatives); developing country governments (seven representatives); and civil society and the private sector (five representatives).

In the developing country bloc, there is one representative from the countries that make up each of the six regions of the World Health Organization (WHO) – Africa, the Americas, South-East Asia, Europe, Eastern Mediterranean, and Western Pacific – plus one additional representative from Africa.

For the donor country bloc, the decision concerning which countries are represented on each of the eight Board seats is made by the Board, and varies a little over time according to how much money different donors contribute to the Fund. (In most case, one donor seat is shared between several donor countries.)

The civil society and private sector bloc consists of one representative of NGOs from developing countries, one representative of NGOs from developed countries, one representative of the private sector, one representative of private foundations, and one representative of communities living with HIV/AIDS, tuberculosis or malaria.

The six non-voting members consist of one representative from the WHO; one representative from the Joint United Nations Programme on AIDS (UNAIDS); one representative from World Bank (which serves as the Fund’s trustee); one representative of partners such as the Stop TB Partnership, Roll Back Malaria and UNITAID (an international facility for the purchase of anti-HIV drugs); the Executive Director of the Global Fund; and one Swiss citizen who is resident in Switzerland and who is authorized to act on behalf of the Global Fund to the extent required by Swiss law.

Board members are appointed for a two-year term. Members serve as representatives of their constituencies<sup>2</sup> and not as individuals. Each Board member may have an Alternate Member serve in his or her stead.

The Global Fund Board meets at least twice each year.

---

<sup>2</sup> For example, the constituency of the member representing the developing countries of South-East Asia consists of the governments of the countries that make up that region. The constituency of the NGO representing developed country NGOs consists of NGOs working on AIDS, tuberculosis and malaria in developed countries.

As much as possible, the Board tries to make decisions by consensus. When this is not possible, decisions are made by voting. In order to pass, motions require a two-thirds majority of those present of both: (a) the group encompassing the eight donor seats and the two private sector seats; and (b) the group encompassing the seven developing country seats, the two NGO seats, and the representative of communities living with HIV/AIDS, tuberculosis or malaria.

Board members select a Chair and a the Vice-Chair from amongst the Board's voting members. The Chair and Vice-Chair are selected for a two-year term. The two positions alternate every two years between the two voting groups described in the previous paragraph. In July 2009, the Board selected Dr. Tedros Adhanom Ghebreyesus, Minister of Health of Ethiopia (developing countries), as Chair, and Mr. Ernest Loevinsohn, Director General, Global Initiatives Directorate, Canadian International Development Agency (donor countries), as Vice-Chair.

### ***Board Delegations and the Selection Process***

Each Board member is permitted to come to the Board meetings with a delegation of up to 10 people, consisting of the Board member, his or her alternate, a Communications Focal Point for the delegation (see next paragraph) and up to seven other people. The Board member, the alternate and the Communications Focal Point are referred to as the "three office holders." It is up to the constituency represented by the Board member to determine how the three office holders and the (up to) seven other members of the delegation are selected.

The Communications Focal Point is an individual who is responsible for coordinating information sharing within his or her delegation, and with the broader constituency represented by the delegation.

(In Global Fund parlance, board delegations are sometimes referred to as "board constituencies," which can create some confusion given that the delegations themselves represent broader constituencies.)

### ***Board Committees***

The Global Fund Board has established four standing committees:

- Policy and Strategy Committee
- Portfolio and Implementation Committee
- Ethics Committee
- Finance and Audit Committee

The Policy and Strategy Committee advises the Board on general policy issues and on the core governance structures of the Fund. The Portfolio and Implementation Committee is responsible for providing advice to the Board on policy and strategy issues relating to the portfolio of grants. The Ethics Committee advises the Board on the application of the Board's *Policy on Ethics and Conflict of Interest for Global Fund Institutions*. The Finance and Audit Committee advises the Board on policy and strategy relating to finance and audit issues, including the Fund's operating budget. The Finance and Audit Committee also serves as the lead committee for conducting the Fund's replenishment (i.e., fundraising) process.

Much of the policy development work of the Board is done at the committee level; the committees then present recommendations to the full Board.

## Strategic Planning

The Global Fund's most recent strategic plan was approved by the Board in 2007.

### **Want to know more?**

More information on the **structure and functioning** of the Board can be found in the by-laws of the Global Fund, available in English and French by going to the Fund's website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Who We Are tab, and then clicking on "Core Structures," "Board" and "Governance Policies" in the left-hand menu; or by clicking [here](#) for the English version. This page also contains examples of governance policies.

There are a series of pages on the Fund's website devoted to the **activities and decisions** of the Board and its committees. Most of this information is available by going to the Fund's website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Who We Are tab, and then clicking on "Core Structures" and "Board" in the left-hand menu; or by clicking [here](#). The information includes (a) a list of the members of the Board, with contact information and short biographies; (b) the calendar of upcoming events for the Board and for Board committees; (c) contact information for the Communication Focal Points for each Board delegation; (d) information on each Board meeting; and (e) information on each Board committee. The information is primarily in English. Information specifically on the decisions of the Board is available in various languages by going to the Fund's website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Who We Are tab, and then clicking on "Core Structures," "Board" and "Board Decisions" in the left-hand menu; or by clicking [here](#).

With respect to the information on **Board meetings**: Each meeting has its own page, which contains links to the documents that were prepared for that meeting and to the decisions that came out of the meeting. With respect to the information on **Board committees**: The members of each committee are listed, along with contact information for the Chair and Vice-Chair of the committee, as well as key staff from the Global Fund Secretariat that support the work of the committee. Committee documents are not available on the committee web pages; however, reports made by each committee to the full Board are included on the web pages of each Board meeting, once the Board meeting has been completed.

The Global Fund has issued *Guidelines on Constituency Processes*, which provides **guidance to Board delegations** concerning their internal processes. The guidelines are available in English, French, Spanish, Russian and Arabic by going to the Fund's website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Media Center tab, and then clicking on "Publications" and "Other Publications" in the left-hand menu; or by clicking [here](#).

The Global Fund Board's **strategic plan** is contained in a document entitled *A Strategy for the Global Fund: Accelerating the Effort To Save Lives*. It is available in English only by going to the Fund's website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Media Center tab, and then clicking on "Publications," "Other Publications" and "Strategy for the Global Fund" in the left-hand menu; or by clicking [here](#).

## Global Fund Secretariat

The Global Fund's Secretariat, located in Geneva, Switzerland, is responsible for the day-to-day operations of the Global Fund. The responsibilities of the Secretariat include managing the proposal applications process; managing grants; raising money from the public and private sectors; providing financial, legal and administrative support; and reporting information on the Global Fund's activities to the Board and the public.

There are currently about 470 employees in the Secretariat. The Executive Director is Dr. Michel Kazatchkine. The Secretariat is composed of five “clusters”:

- Corporate Services
- Finance
- Country Programs
- External Relations and Partnerships
- Strategy, Performance and Evaluation

The last three clusters listed above are described below.

The **Country Programs Cluster**, the operational core of the Secretariat, manages the Fund’s portfolio of grants. The Country Programs Cluster contains three units, broken out into regional groupings, as follows:

- Africa Unit
- Asia Unit
- ELM Unit

The ELM Unit takes its name from the first letters of the following three regional teams: EECA (Eastern Europe and Central Asia), LAC (Latin America and the Caribbean) and MENA (Middle East and North Africa).

Each unit is composed of three teams covering sub-regions within the regional groupings; plus one team with a mandate that extends beyond the regional grouping and, sometimes, beyond the Country Program Cluster. The three teams that have this broader mandate are the Grants Renewal Team (housed in the Africa Unit), the CCM Team (housed in the Asia Unit) and the LFA Team (housed in the ELM Unit.) (CCMs and LFAs are described in *Chapter 4: Structure of the Global Fund – In-Country.*)

Within each sub-regional team, there are several Fund Portfolio Managers (FPMs). Each country (with its associated grants) is assigned to an FPM. The FPM, therefore, is the main Global Fund contact person during the negotiation and implementation phases of a grant.

The **External Relations and Partnerships Cluster** manages all relations and communications with outside organisations that are involved in the responses to the three diseases or that have an interest in what the Fund is doing. This includes media, multi- and bi-lateral organisations, civil society and the private sector. This cluster also leads the Secretariat’s fundraising efforts.

The **Strategy, Performance and Evaluation Cluster** encompasses several units responsible for developing policy and providing support in the following areas (among others): the Global Fund’s overall strategies and policies; monitoring and evaluation (M&E); and procurement. M&E covers both the performance of Global Fund grants and the operations of the Global Fund itself, both at the Geneva headquarters and at country level (e.g., CCMs, LFAs). The Strategy, Performance and Evaluation Cluster also contains a Country Proposals Team, responsible for policies and procedures related to the process of applying for funding from the Global Fund.

### ***Want to know more?***

You can find more information on the Secretariat in the six U.N. languages by going to the Fund's website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Who We Are tab, and then clicking on "Core Structures" and "Secretariat" in the left-hand menu; or by clicking [here](#). The sub-menu below "Secretariat" contains (a) a description of the Secretariat's structure; (b) contact details for the Secretariat generally and for each of the units; and (c) biographies of the Executive Management Team.

## **Technical Review Panel**

The Technical Review Panel (TRP) plays a very important role in the Global Fund's grant-making processes. The TRP is an independent panel of international experts on HIV/AIDS, TB and malaria, and on health and development. The TRP reviews eligible grant proposals for technical merit. Based on this review, the TRP recommends to the Board which proposals should be funded. To date, the Board has always accepted the recommendations of the TRP. The TRP consists of a maximum of 40 experts, none of whom is a member of the Board or an employee of the Fund. Each expert is appointed by the Board for a period of up to four rounds of funding.

### ***Want to know more?***

You can find more information on the TRP in various languages by going to the Fund's website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Who We Are tab, and then clicking on "Core Structures" and "Technical Review Panel" in the left-hand menu; or by clicking [here](#). The information includes (a) the terms of reference of the TRP (in the six official U.N. languages); (b) a list of the members of the TRP as of the latest round of funding, with bibliographies (in English only); and (c) reports of the TRP (and the Secretariat) on each round of funding (in various languages).

## **Technical Evaluation Reference Group**

The Technical Evaluation Reference Group (TERG) is an advisory body providing independent assessment and advice to the Global Fund Board on issues related to monitoring and evaluation. The TERG recently coordinated the Five Year Evaluation of the Global Fund (see *Chapter 13: Evaluations of the Global Fund*). The Board sometimes directs the TERG to examine specific aspects of the programmes financing by the Fund. The TERG also advises the Global Fund Secretariat on evaluation approaches and practices, reporting procedures and other technical and managerial aspects of monitoring and evaluation. Membership of the TERG is drawn from a range of stakeholders, including practitioners, research institutions, academics, donor and recipient countries, and NGOs. Members of the TERG are appointed by the Board.

### ***Want to know more?***

You can find more information on the TERG (in English only) by going to the Fund's website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Who We Are tab, and then clicking on "Core Structures" and "Technical Evaluation Reference Group" in the left-hand menu; or by clicking [here](#). The information includes (a) the Terms of Reference of the TERG; (b) a list of the members of the TERG; (c) reports on each of the meetings of the TERG; and (d) reports on various studies undertaken by the TERG.

## Office of the Inspector General

The Office of the Inspector General (OIG) operates independently of the Global Fund Secretariat, reporting directly to the Global Fund Board. Its role is to provide the Global Fund with independent and objective oversight to ensure that the Global Fund Secretariat and recipients of Global Fund grants comply with Global Fund policies and procedures. More specifically, the OIG seeks to prevent and detect fraud, waste, abuse, malfeasance and mismanagement.

The OIG has the authority to initiate, carry out and report on any action it considers necessary to fulfil its responsibilities with regard to oversight functions.

The OIG welcomes input from whistle-blowers. Persons wishing to communicate with the OIG regarding possible fraud or abuse can do so via email ([inspector.general@bluewin.ch](mailto:inspector.general@bluewin.ch)), phone (+41 22 341-5258 or 5259), fax (+41 22 341-5257), or regular mail (Inspector General, the Global Fund to Fight AIDS, Tuberculosis and Malaria, P.O. Box 561, 1214 Vernier – Geneva, Switzerland). They can also contact the OIG using a web-based form. For instructions on how to use the form, see [www.integrity-helpline.com/theglobalfund.jsp](http://www.integrity-helpline.com/theglobalfund.jsp). The instructions and the form are in multiple languages. For instructions on how to phone the OIG at no charge from many countries, click [here](#).

The OIG says that all communications will be treated with the greatest confidence, and that people wishing to contact the OIG can conceal their identity (but should nevertheless provide a means for the OIG to contact them if it needs to obtain further information). The OIG says that people should feel free to communicate in their own language.

### ***Want to know more?***

You can find more information on the OIG by going to the Fund's website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Who We Are tab, and then clicking on "Core Structures" and "Office of the Inspector General" in the left-hand menu; or by clicking [here](#). The information includes (a) the mission statement, charter and terms of reference of the OIG; and (b) several documents describing whistle-blowing policies and procedures. When we went to press, all information and documents were in English only. Aidsplan has been informed that the information on the OIG pages will be translated into the five other U.N. languages.

## Partnership Forum

The Partnership Forum is a formal part of the structure of the Global Fund. The Partnership Forum meets every two years or so, gathering together a broad range of global stakeholders to discuss Global Fund performance and to make recommendations on the Fund's strategy and effectiveness. Participants represent grant recipients, civil society, donor and recipient governments, Board members, development agencies, technical and research agencies, foundations, and private businesses.

The Global Fund's first Partnership Forum was held in Bangkok, Thailand in 2004; the second in Durban, South Africa in July 2006; and the third in Dakar, Senegal in December 2008.

***Want to know more?***

Additional information on the Partnership Forum in various languages can be found by going to the Fund's website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Who We Are tab, and then clicking on "Core Structures" and "Partnership Forum" in the left-hand menu; or by clicking [here](#).

## **MyGlobalFund**

Although not formally part of the Global Fund structure per se, MyGlobalFund is an electronic forum designed to encourage discussion among stakeholders on Global Fund issues and on the fight against the three diseases supported by the Fund. This electronic forum grew out of the Partnership Forum (as one way of engaging partners). MyGlobalFund operates in four languages: English, French, Spanish and Russian.

***Want to know more?***

MyGlobalFund can be accessed at <http://myglobalfund.org>.

## Chapter 4: Structure of the Global Fund – In-Country

*This chapter explains how the Global Fund is structured at the country level. It describes the role of country coordinating mechanisms, principal recipients, sub-recipients and local fund agents.*

The Global Fund does not maintain country offices and, therefore, has no formal presence in individual countries. Nevertheless, there are certain structures that operate at country level and that form part of what is known as “the Global Fund architecture.”

### Country Coordinating Mechanisms

The Global Fund is designed to work through multi-sectoral partnerships in developing countries – partnerships known as “country coordinating mechanisms (CCMs).” The CCMs are responsible for developing and submitting proposal to the Global Fund. They are also responsible for nominating one or more organisations to serve as principal recipients (PRs) – organisations that will receive money from the Fund and use it to implement the programmes covered by the proposal (see next section for a discussion of PRs). Finally, once a grant is approved, the CCM is responsible for overseeing the PR’s progress in implementing the programme funded by the grant.

CCMs are made up of representatives from both the public and private sectors, including governments, multilateral or bilateral development agencies, NGOs, academic institutions, private businesses and people living with the diseases.

In large countries with federal systems of government, the CCM may be supplemented by one or more sub-national country coordinating mechanisms (sub-CCMs).

Note that although the vast majority of proposals submitted to the Global Fund come from CCMs and sub-CCMs, other entities may also apply. See *Chapter 8: The Global Fund’s Applications Process* for more information on these other entities.

#### ***Want to know more?***

CCMs are discussed in more detail in *Chapter 9: Country Coordinating Mechanisms* in this guide.

### Principal Recipients and Sub-Recipients

Principal recipients (PRs) are responsible for implementing programmes contained in proposals that have been approved by the Global Fund Board. PRs can be governmental, non-governmental or private sector organisations. Usually, PRs are national organisations, but there are instances of international organisations serving as PRs, particularly in countries that have experienced severe internal conflict.

Once a proposal is approved, the Global Fund signs grant agreements with each PR nominated in the proposal (there can be more than one). (The Global Fund first arranges for an evaluation of the nominated PRs to ensure that they are up to the task. See the discussion of local fund agents in the next section.)

During the implementation of a grant, the PR usually works with several sub-recipients (SRs). Each SR is responsible for implementing a portion of the grant, and reports directly to the PR. SRs are usually local or national organisations, and can be from the governmental, civil society or private sectors. SRs can also be locally-based offices of international NGOs.

***Want to know more?***

Grant implementation is discussed in more detail in *Chapter 11: Grant Implementation Process* in this guide.

## **Local Fund Agents**

As indicated above, the Global Fund does not have a country-level presence outside of its offices in Geneva, Switzerland. Instead, the Fund hires local fund agents (LFAs) to fulfil a verification role within each country on behalf of the Fund. Specifically, the job of the LFA is to evaluate the financial management and administrative capacity of the nominated PR(s), and to verify and report on grant performance. LFAs are selected through a competitive bidding process. Up to now, LFAs have usually been large accounting or management consultant companies, but the Global Fund is trying to encourage other entities to apply for the position.

The Global Fund normally has one LFA in each country where it has approved a grant. In a few instances, the LFA may be based in a nearby country.

***Want to know more?***

The role of the LFA is further described in *Chapter 11: Grant Implementation Process* in this guide.

More information on LFAs in various languages is available by going to the Fund's website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Who We Are tab, and then clicking on "Core Structures" and "Local Fund Agents" in the left-hand menu; or by clicking [here](#). The information includes (a) an explanation of the competitive bidding process used to select LFAs; (b) a list of currently appointed LFAs; (c) copies of recently issued requests for proposals for the selection of LFAs; (d) an FAQ on LFAs; and (e) copies of Global Fund policies, tools and guidelines related to LFAs.

## Chapter 5: Partnerships

*Partnerships with other organisations are essential to the way the Global Fund operates. This chapter explains the kinds of partnerships the Fund nourishes. It contains a description of the roles of development partners, civil society and the private sector. Finally, the chapter lists the Friends of the Global Fund organisations that have been established.*

The Global Fund itself is a partnership between governments, civil society, the private sector and affected communities. In addition, to ensure that it remains as lean an organisation as possible, the Global Fund relies on a wide range of partners to carry out key activities necessary for its functioning and success. For example, at country level, the Fund is dependent on CCMs, PRs and SRs (see *Chapter 4: Structure of the Global Fund – In-Country*).

Partnerships take on many forms, from formal relationships to ad-hoc consultations. The Global Fund Secretariat plays a facilitating and coordinating role, but in several cases – especially in relations between external partners and CCMs – the Secretariat is not actively involved.

### Development Partners

When technical expertise is required – by the Global Fund Secretariat itself, by CCMs and by PRs and other implementers – the Global Fund often relies on international organisations like the WHO, UNAIDS, the World Bank and the United Nations Development Programme (UNDP). To formalize these partnerships, the Global Fund has signed Memoranda of Understanding with most of these organisations. Many bilateral development agencies are also a source of technical expertise.

The Global Fund collaborates with bilateral and multilateral development agencies<sup>3</sup> to avoid duplication and overlap in funding, and to ensure coherence in approaches among the various funders.

With respect to commodity purchases, the Global Fund works with global supply mechanisms such as the UNITAID, Global TB Drug Facility, the United Nations Children's Fund (UNICEF) and private sector companies.

### Civil Society

Civil society has played a fundamental role in the design and development of the Global Fund since its inception. Civil society organisations have advocated strongly for Western governments to provide increased funding to the Fund. Civil society has also been an effective voice on the Global Fund Board, where each of its representatives holds equal voting rights to those from donor and implementing governments. In addition, government delegations occasionally include civil society representatives.

---

<sup>3</sup> Bilateral development agencies are national agencies through which national governments provide resources to carry out development projects in countries in need. Examples include the U.S. Agency for International Aid (USAID), the Australian Government Overseas Aid Program (AusAid), the Swedish International Development Agency (SIDA) and the (U.K.) Department for International Development (DfID). Multilateral development agencies are international agencies providing resources to carry out development projects in countries in need. Examples include the World Bank and regional development banks, such as the African Development Bank; inter-governmental bodies, such as the European Commission; and U.N. agencies, such as the United Nations Development Programme (UNDP) and the United Nations Children's Fund (UNICEF).

Civil society is also present on CCMs, representing NGOs, FBOs and vulnerable and marginalised groups affected by the three diseases.

Sometimes, civil society organisations serve as PRs and SRs, helping to implement programmes funded through Global Fund grants. This has proven to be a particularly effective way of targeting hard-to-reach populations.

Finally, civil society plays an important watchdog role, monitoring the activities of the Global Fund and its grant recipients, and advocating for improvements in the way the Fund operates.<sup>4</sup>

## Private Sector

Through partnerships with corporations, the Global Fund has received important contributions in terms of both money and in-kind donations. The following are some examples:

- **(PRODUCT) RED™.** RED is a brand created to raise awareness and money for the Global Fund. A portion of the profits from each RED product sold goes directly to the Global Fund.
- **Corporate Champions Program.** Through the Global Fund's Corporate Champions Program, companies can make a significant financial commitment.
- **Grant Implementation.** Private sector companies have participated in various ways in the implementation of programmes funded through Global Fund grants. Some of these ways include participating in, and supporting, CCMs (which oversee grant implementation); providing technical or management assistance to implementers of grants; and acting as a PR or SR.
- **Pro bono services.** Companies have used their business expertise to provide pro bono support for core functions of the Global Fund Secretariat and CCMs, ranging from fundraising, to communications, to strategy and policy development.

## Friends of the Global Fund

In the last several years, eight NGOs dedicated to raising awareness of, and advocating for increased support for, the Global Fund have been launched in the United States, Japan, Europe, Africa and the Pacific. The organisations are:

- Friends of the Global Fight (U.S.)
- Friends of the Global Fund, Japan
- Friends of the Global Fund, Europe
- Friends of the Global Fund, Africa
- Pacific Friends of the Global Fund
- Friends of the Global Fund, Middle East and North Africa
- Friends of the Global Fund, Latin America
- Friends of the Global Fund, South and West Asia

---

<sup>4</sup> Aidspan is a prime example of a civil society organisation playing a watchdog role.

**Want to know more?**

More information (mostly in English) on the Global Fund's many partnerships is available by going to the Fund's website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Who We Are tab, and then clicking on "A New Partnership" in the left-hand menu; or by clicking [here](#). There are separate pages for "Friends of the Fund," "NGOs and Civil Society," "Development Partners" and "Private Sector."

Copies of a Global Fund publication entitled *An Evolving Partnership: The Global Fund and Civil Society in the Fight Against AIDS, Tuberculosis and Malaria* are available in English, French, Spanish, Russian and Chinese by going to the Fund's website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Media Center tab, and then clicking on "Publications," "Other Publications" and "An Evolving Partnership" in the left-hand menu; or by clicking [here](#).

## Chapter 6: Funds Raised by the Global Fund

*This chapter explains how much money the Global Fund has raised; describes the main mechanism that the Fund uses to raise money from donor governments; lists other sources of funding; and describes the gap between what the Fund has raised and its fundraising targets. All figures in this chapter are in U.S. dollars.*

Over the past several years, the demands on the Global Fund have been steadily increasing. It has been a challenge for the Fund's fundraising efforts to keep up with the demand.

### Amount of Money Raised

The Global Fund raises most 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 (see separate section below).

Table 6.1 shows how much money had been paid to the Global Fund as of May 2009. "Paid" means that the money has been sent to the Fund.

**Table 6.1: Amounts Paid to Date**

Source	Amount (\$ million)
Donor countries	12,721
Other	760
TOTAL	13,481

Table 6.2 shows how much money had been pledged to the Global Fund as of May 2009. Pledges include not only those amounts already paid, but also money for future years promised in writing. Many of the pledges extend to the year 2010; some of them extend to 2015.

**Table 6.2: Amounts Pledged to Date**

Source	Amount (\$ million)
Donor countries	19,551
Other	803
TOTAL	20,354

The amounts in Table 6.2 include the amounts in Table 6.1.

#### ***Want to know more?***

More information on the amounts of money raised by the Global Fund is available (in English only) by going to the Fund's website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Who We Are tab, and then clicking on "Our Resources" in the left-hand menu; or by clicking [here](#). You will see (among other items) a link to an Excel file which provides the latest information on amounts paid and amounts pledged, by donor and by year.

## Voluntary Replenishment Mechanism for Donor Countries

In 2005, the Global Fund introduced what it calls its “voluntary replenishment mechanism” in an effort to raise increasing amounts of money and to make the funding sustainable and predictable. Under this process, the Fund organises periodic meetings with the major donor countries. At these meetings, the Fund provides a progress report on its performance, and the donor countries are encouraged to announce their pledges for the coming years.

The first replenishment period covered the years 2006 and 2007. Three meetings were held with donor countries. The second replenishment period covers the period from 2008 to 2010. Two meetings with donor countries have been held. In addition, part way through each replenishment period, the Global Fund organises a “mid-term review” session where donor countries have an opportunity to discuss key issues related to progress thus far.

A third replenishment period covering the years 2011-2013 is planned.

### ***Want to know more?***

More information on the voluntary replenishment mechanism is available (in English only) by going to the Fund’s website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Who We Are tab, and then clicking on “Our Resources” and “Voluntary Replenishment Mechanism” in the left-hand menu; or by clicking [here](#). There are separate pages for each meeting held with donors since the mechanism was put in place. The information includes the meeting agenda, copies of documents that were prepared for the meeting, copies of presentations made at the meeting, a report on the meeting, and news releases related to the meeting issued by the Global Fund.

## Other Sources of Funding

As shown in Table 6.1 above, funding from sources other than donor countries constitutes a rather modest share of total contributions paid to date (6.0 percent). The Global Fund hopes that contributions from other sources will grow in importance in the coming years. These other sources of funding include:

- donations from public and private foundations;
- special corporate product promotions;
- donations from corporations;
- the Debt2Health initiative; and
- donations from individuals.

Of the \$760 million paid to May 2009 from other sources, the biggest single contributor (by far) was the Bill & Melinda Gates Foundation (\$550 million).

The corporate (PRODUCT) RED campaign has raised \$133 million by May 2009. Many of the world’s best known brand-name companies are participating in RED (e.g., GAP, Dell, Apple, American Express and Motorola). A portion of the profits from each RED product sold goes directly to the Global Fund.

In term of pledges, the largest single contribution to date from a corporation was the \$30 million donation pledged by Chevron in January 2008.

To May 2009, the Debt2Health initiative has resulted in pledges of \$60.8 million. Debt2Health is designed to use debt swaps to free up domestic resources. Under this initiative, wealthy countries that have lent money to developing countries forgo repayment of a portion of their loans on the condition that the borrowing country invests an agreed-upon “counterpart amount” in health through Global Fund-approved programmes. The counterpart amount generally equals the payments the country was making to service the debt.

Donations from individuals constitute a minute proportion of total contributions paid to date (less than one thousandth of one percent). This is not because individuals are not generous. Rather, it is a reflection of how successful the Global Fund has been at raising very significant amount of funding from a variety of other sources.

***Want to know more?***

More information on contributions from other sources is available (in English only) in the Excel file referred to above. (Go to the Fund’s website at [www.theglobalfund.org](http://www.theglobalfund.org), select the Who We Are tab, and then click on “Our Resources” in the left-hand menu; or click [here](#). Follow the link to the Excel file.)

Information specifically on the Debt2Health initiative (in English only) can be found by going to the Fund’s website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Who We Are tab, and then clicking on “Our Resources” and “Innovative Financing” in the left-hand menu; or by clicking [here](#).

## The Funding Gap

In a resource needs paper published in April 2009, the Global Fund updated its estimate of how much money it needed to raise for the period 2008-2010.

For 2008, 2009 and 2010 combined, the Global Fund estimated that it would need at least \$13.5 billion and perhaps as much as \$19.4 billion. Three different scenarios were developed for the projections, based on varying estimates of what future demand would be (i.e., how much money would be required to fund new proposals). Table 6.3 provides the breakout by year and by scenario.

**Table 6.3: Global Fund Estimates of its Funding Needs (\$ billion)**

Year	2008	2009	2010	Total for the three years	Average per year
Scenario 1	3.9	5.1	4.5	13.5	4.5
Scenario 2	3.9	6.6	5.5	16.0	5.3
Scenario 3	3.9	8.0	7.5	19.4	6.5

In its paper, the Global Fund said that contributions pledged to the Fund for the period 2008-2010 came to \$9.7 billion, of which \$9.5 billion was available for grants (the other \$0.2 billion is needed for 2007 grant approvals and for operating expenses). This means that there is a funding gap of at least \$3.9 billion and perhaps as much as \$9.8 billion, depending on the scenario.

In its paper, the Global Fund made tentative resource needs projections for the period 2011-2013. It estimated that the Fund would need to raise between \$19.6 billion and \$35.6 billion, which works out to an average per year of between \$6.5 billion and \$11.9 billion.

***Want to know more?***

The information in this section is taken from the Global Fund's *Updated Demand Estimate 2008-2010: Mid-Term Review of the Second Voluntary Replenishment 2008-2010 – Cáceres, Spain, 30 March - 1 April 2009*. A copy of the paper is available (in English only) by going to the Fund's website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Media Center tab, and then clicking on "Publications" and "Other Publications" in the left-hand menu; or by clicking [here](#).

## Chapter 7: Funds Committed and Spent by the Global Fund

*This chapter provides information on funds committed and spent to date through the rounds-based channel and the rolling continuation channel. All amounts in this chapter are in U.S. dollars.*

The Global Fund awards grants on the basis of proposals submitted to the Fund that are approved for funding. When the Fund approves a proposal, it *commits* to spend a certain amount of money. But the money is not actually *spent* until the Fund makes disbursements to the PR, the organisation implementing the grant (i.e., sends money to the PR).

As of 30 May 2009, the Global Fund had committed to spend \$15.6 billion, and had actually spent \$7.8 billion.

### Funds Committed

As of 30 May 2009, the Global Fund had signed Grant Agreements committing it to spend \$15.6 billion through the rounds-based channel (phases 1 and 2) and the rolling continuation channel. (The two channels are described in *Chapter 8: The Global Fund's Applications Process*.) Table 7.1 provides a breakdown of funds committed.

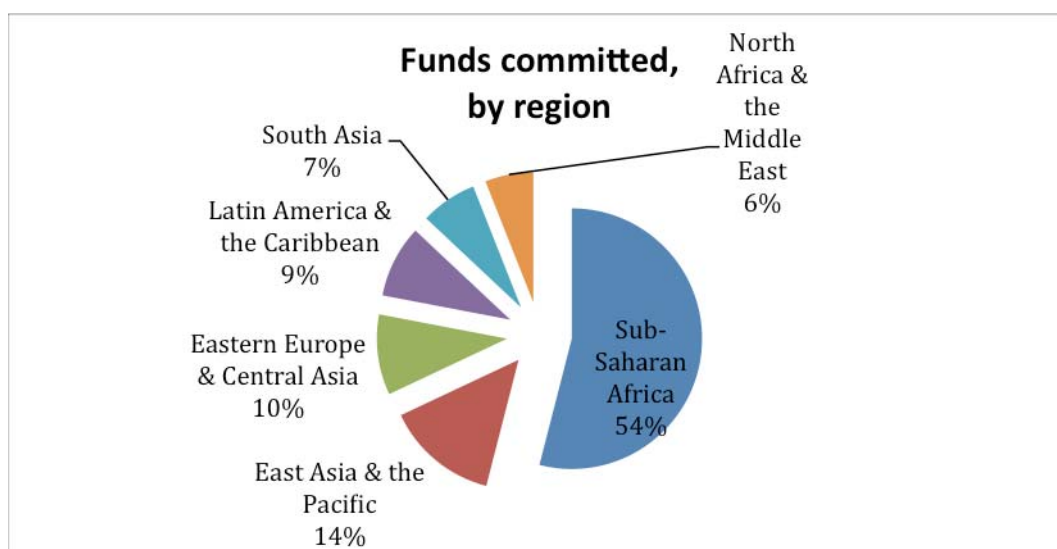
**Table 7.1: Total Funds Committed per Round of Funding**

Round	Date original proposals were approved	No. of proposals approved	No. of Phase 2 renewals	No. of RCC proposals approved	Total amount (\$ million)
1	April 2002	68	54	8	1,751
2	January 2003	102	92	19	2,845
3	November 2003	75	65	9	1,719
4	June 2004	82	79	2	2,856
5	September 2005	72	60	1	1,651
6	November 2006	97	10	0	943
7	November 2007	90	0	0	1,105
8	November 2008	154	0	0	2,750
<b>TOTALS</b>		<b>740</b>	<b>360</b>	<b>39</b>	<b>15,620</b>

#### Notes:

1. For the purposes of this table, the RCC proposals are listed by round in the rounds-based channel, based on when the original proposal was approved. For example, eight RCC proposals were approved extending Round 1 grants that had expired; 19 RCC proposals were approved extending Round 2 grants that had expired; and so on. Obviously, actual approvals of the RCC proposals came at a much later date than what is shown here.
2. Regarding the Round 8 numbers: (a) a portion of the approved proposals were approved only in principle; funding for these proposals are scheduled to be approved as and when funding becomes available; (b) the total amount of all proposals approved for funding and in principle was \$2.91 billion, but the Global Fund set the upper ceiling at \$2.75 billion. The Secretariat has been tasked with working with applicants to find the necessary savings.

The following pie chart shows what proportion of the total funds committed are allocated to each region, for Rounds 1-8.



## Funds Spent

In the previous section, we reported that the Global Fund had committed to spend \$15.6 billion. As of 30 May 2009, the Fund had actually spent (i.e., disbursed) \$ 7.8 billion.<sup>5</sup> Note that some of the funds disbursed to PRs will not have been spent yet by the PRs.

Table 7.3 provides details by round and by phase.

**Table 7.3: Funds Disbursed by the Global Fund as of 30 May 2009 (\$ million)**

Round	Phase 1	Phase 2	RCC	Total
1	549	665	69	1,283
2	825	758	37	1,620
3	608	568	12	1,188
4	998	834	NIL	1832
5	725	114	NIL	839
6	622	2	NIL	624
7	386	NIL	NIL	386
8	NIL	NIL	NIL	NIL
<b>TOTALS</b>	<b>4,712</b>	<b>2,942</b>	<b>119</b>	<b>7,773</b>

(Totals may be slightly off because of rounding.)

<sup>5</sup> The remainder of the committed funds will be disbursed once implementation of each grant has reached an appropriate point.

### ***Want to know more?***

All of the information in this chapter was taken from “Global Fund Grants – Progress Summary,” an Excel spreadsheet (in English only) that the Fund maintains on its website. The spreadsheet, which is updated fairly regularly, is available by going to the Fund’s website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Grant Portfolio tab, and then clicking on “Commitments and Disbursements” in the left-hand menu; or by clicking [here](#). (Click on “Summary.”) The spreadsheet contains more detail than is presented here. Even more details are available in three reports listed on the Commitments and Disbursements page: a Disbursement Details Report (PDF file), a “Grants in detail” spreadsheet (raw data) and a “Disbursement in detail” spreadsheet (raw data).

Another summary of the funding approved by the Global Fund is available by going to the Fund’s website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Grant Portfolio tab, and then clicking on “Funding Decisions” in the left-hand menu; or by clicking [here](#). The information is broken down by round for the rounds-based channel and, within each round, by region and by disease. In addition, for each round, links are included to relevant documents and pages on the Fund’s website, including the full list of approved proposals. Similar information is provided for each wave of funding under the RCC.

Finally, you can see a series of pie charts that provide information on funding commitments by going to the Fund’s website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Grant Portfolio tab, and then clicking on “Distribution of Funding” in the left-hand menu; or by clicking [here](#). The pie charts show the breakdown of the commitments using various measures, including by disease, by country income level and by recipient sector.

## Chapter 8: The Global Fund's Application Process

*This chapter describes the process for applying for grants from the Global Fund. It includes sections on who can apply, the rounds-based channel, the rolling continuation channel, and other funding mechanisms under development or consideration.*

### Who can apply?

The following entities can submit applications to the Global Fund:

- Country coordinating mechanisms (CCMs)
- Sub-national country coordinating mechanisms (sub-CCMs)
- Regional coordinating mechanisms (RCMs)
- Regional organisations (ROs)
- Non-country coordinating mechanisms (non-CCMs)

### CCMs

The vast majority of proposals to the Global Fund emanate from CCMs. CCMs are described in *Chapter 9: Country Coordinating Mechanisms*.

### Sub-CCMs

Countries can choose to establish sub-CCMs when it is difficult or impossible for the CCM to adequately cover the entire country. This can happen under two scenarios: (1) a large, federated state; and (2) a country in conflict. Examples of the former include the Russian Federation and South Africa; applications have been submitted by sub-CCMs in both countries. Generally speaking, under this scenario sub-CCMs must have the blessing of the CCM, and their proposals must be endorsed by the CCM.

An example of the country-in-conflict scenario is Sudan. In the last few rounds of funding, applications have been accepted from North Sudan (the CCM) and South Sudan (the sub-CCM). Under this scenario, the sub-CCM must be able to demonstrate why it is forced to act independently of the CCM.

Sub-CCMs have to meet the same basic requirements as CCMs; see *Chapter 9: Country Coordinating Mechanisms*.

### RCMs

A group of countries with existing functional CCMs may form an RCM to submit a coordinated regional proposal to address common issues among the countries, including cross-border interventions. The RCM must be based on a natural collection of countries.

Proposals from RCMs are required to demonstrate they will be able to achieve outcomes that would not be possible with only national approaches. The proposals must also show how the planned activities complement the national plans of each country involved; and how the activities will be coordinated with the activities of the respective CCMs. Finally, proposals from RCMs must be endorsed by the CCM in each country included in the proposal.

Examples of applications received from RCMs include:

- a proposal dealing with malaria control in the cross-border regions of the Andes (submitted by an RCM representing Columbia, Ecuador, Peru and Venezuela); and
- a proposal addressing HIV along the Abidjan-Lagos corridor of migration (submitted by an RCM representing Côte d'Ivoire, Ghana, Togo, Benin and Nigeria).

RCMs may also be established by countries classified by the U.N. as “small island development states.” Under this scenario, the countries are not required to form their own CCMs before they form the RCM. Applications to the Global Fund have been submitted by an RCM representing island states of the Western Pacific, and an RCM representing nine Eastern Caribbean nations.

RCMs have to meet the same basic requirements as CCMs; see *Chapter 9: Country Coordinating Mechanisms*.

## **ROs**

ROs – including intergovernmental organisations, international NGOs and international FBOs that work across countries on a regional basis – may submit a proposal to address cross-border or regional issues. ROs have to be able to demonstrate that in their existing operations, they embody the principles of multi-sectorality and partnership – both core values of the Global Fund.

As is the case with RCMs, proposals from ROs:

- must demonstrate added value beyond that which could be achieved in individual countries;
- must demonstrate involvement of authorities in each of the countries involved; and
- must be endorsed by the CCMs in each of the countries involved.

Because the bar is set fairly high, only a minority of RCM and RO proposals are approved for funding. In fact, in the latest round for which funding decisions have been made (Round 8), none of the five RCM and RO proposals were approved.

## **Non-CCMs**

The Global Fund accepts applications from other organisations, which it classifies as “non-CCMs.” However, the Fund strongly discourages such applications. It prefers to see applications from CCMs and, in limited circumstances, from sub-CCMs, RCMs and ROs. One reason the Global Fund discourages proposals from non-CCMs is that the Fund wants proposals to be developed through multi-sectoral partnerships. Another reason is that the Fund does not want to be swamped with multiple applications from one country, each with objectives pointing in different directions.

Non-CCM proposals can be submitted by organisations from any sector; in practice, most such proposals have emanated from NGOs and FBOs.

One instance where the Global Fund will accept a proposal from a non-CCM is if there is no CCM in the country. In the early rounds of funding, there were some countries without CCMs; however, today this happens only rarely, if at all.

For countries where there is a CCM, the Global Fund says that proposals from non-CCMs are eligible only if they originate from one of the following:

- countries or areas without legitimate governments (such as governments not recognized by the U.N.);
- countries or areas in conflict, facing natural disasters, or in complex emergency situations; or
- countries that suppress or have not established partnerships with civil society and NGOs (including a country in which the CCM has failed or refused to consider a submission from a civil society organisation for inclusion in the CCM's consolidated country proposal; and a CCM that had failed or refused to address the needs of a specific population group).

The following are examples of non-CCM proposals that have been screened in (i.e., accepted for consideration) in recent rounds of funding (with the rationale shown in parentheses):

- in both Rounds 6 and 7, the Fund screened in a non-CCM proposal from Somalia (country in conflict);
- in Round 7, the Fund screened in a non-CCM proposal covering the West Bank and Gaza (area without legitimate government);
- in Round 5, the Fund screened in proposal from a group of NGOs in the Russian Federation which targeted injection drug users (CCM refused to address the needs of this group).

All three proposals were approved for funding.

### ***Want to know more?***

The Global Fund's guidance concerning the requirements that all coordinating mechanisms – i.e., CCMs, sub-CCMs and RCMs – have to meet is contained in two documents: (1) *Guidelines on the Purpose, Structure, Composition and Funding of Country Coordinating Mechanisms and Requirements for Grant Eligibility*; and (2) *Clarifications on CCM Minimum Requirements*. Both documents are available in all six U.N. languages by going to the Fund's website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Who We Are tab, and then clicking on "Core Structures," "Country Coordinating Mechanisms" and "Guidelines and Documents" in the left-hand menu; or by clicking [here](#).

Requirements specific to sub-CCMs, RCMs, ROs and non-CCMs are described in the guidelines that the Global Fund prepares for each new round of funding. The Round 9 guidelines are available in all six U.N. languages by going to the Fund's website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Applicants and Implementers tab, and then clicking on "Applying for Grants," "Round Based Channel" and "Round 9" in the left-hand menu; or by clicking [here](#). Note that there are separate guidelines for single- and multiple-country applicants.

For each new round of funding, Aidspace produces a guide on the applications process and on how to fill out the proposal form. Volume 1 of *The Aidspace Guide to Round 8 Applications to the Global Fund* discussed factors that applicants should consider if they are planning to submit a non-CCM, RCM or RO application. See the "Want to know more?" box at the end of the next section.

## Rounds-Based Channel

Up to now, at least, a large majority of proposals have been submitted under the rounds-based channel. Under this mechanism, the Global Fund periodically issues a call for proposals. Each call constitutes a round of funding. Since the first round in 2002, there has generally been one new round of funding a year.

For each round of funding, the Global Fund produces a proposal form, guidelines for applicants, and other supporting documentation. For the last few rounds of funding, applicants have had about four months to submit their proposals. Proposals may be submitted in any of the six U.N. languages: Arabic, Chinese, English, French, Russian or Spanish. Because the reviews of the proposals are conducted in English, the Secretariat encourages applicants that submit proposals in a language other than English to provide an English translation; if no English translation is provided, the Secretariat will arrange for translation.

The Global Fund Secretariat screens all proposals – i.e., it reviews the proposals for completeness and to ensure that they meet the eligibility criteria. The criteria cover several areas.

First, there are criteria related to the **type of applicant**. CCMs have to meet certain minimum requirements; these are described in *Chapter 9: Country Coordinating Mechanisms*. Sub-CCMs and RCMs have to meet these same requirements. (Sub-CCMs and RCMs have to meet additional requirements; these are described in the preceding section of this chapter.) (ROs and non-CCMs also have to meet certain requirements; these are also described in the preceding section of this chapter.)

Second, the country from which the proposal emanates has to meet certain **income requirements**. For example, countries classified by the World Bank as “high-income” are not eligible to apply. Third, depending on the income classification of the country, the applicant may also have to meet certain other requirements related to the **population groups targeted by the proposal**.

Finally, depending on the income classification of the country, the applicant may have to demonstrate that a certain percentage of the funding for the proposal will come from domestic sources. In Global Fund parlance, this is called “**cost sharing**.”

Proposals that are screened in by the Secretariat are then passed on to the TRP for review. (See *Chapter 3: Structure of the Global Fund – Global Level* for a discussion of the TRP.)

If an applicant submits a proposal for more than one disease, each disease component will be reviewed separately by the TRP. In effect, each disease component becomes a separate proposal.

In addition to reviewing the actual proposal, the TRP also considers other information, such as the performance of existing Global Fund grants and information provided by agencies such as UNAIDS, the WHO and the World Bank. TRP comments on weaknesses in proposals submitted in earlier rounds may also be taken into consideration.

Once the TRP has assessed each proposal, it assigns it a rating in one of the following categories:

- **Recommended (Category 1):** Proposals recommended by the TRP for approval, for which the TRP seeks no clarifications or only minor ones.

- **Recommended (Category 2):** Proposals recommended by the TRP for approval subject to the applicant satisfactorily responding to a number of requests by the TRP for clarification.
- **Not Recommended (Category 3):** Proposals not recommended by the TRP in their present form, but regarding which applicants are encouraged to submit improved applications in a future round.
- **Not Recommended (Category 4):** Proposals not recommended by the TRP for funding, and regarding which the TRP provides no encouragement with respect to re-applying in future rounds.

In allocating each proposal to one of the above categories, the TRP takes into consideration only technical factors, such as whether the programme described in the proposal is technically sound, whether it is one that the specified organisation(s) are capable of implementing, and whether it represents good use of the money. The TRP is required to ignore the question of whether it believes the Global Fund has enough money to pay for all of the proposals that it is recommending. If the TRP recommends more proposals than the Fund has money to finance, it is up to the Board to deal with the problem.

In a few rounds of funding, there has been some uncertainty about whether the Global Fund had sufficient money to fund all of the proposals recommended by the TRP. The Fund has established procedures for how to deal with such situations, including how to decide which proposals receive priority.

The TRP's recommendations are then forwarded to the Global Fund Board, which makes the final decision. Up to now, the Global Fund has always adopted the TRP recommendations "en bloc" – i.e., as a whole. This means that the Board has avoided getting into a discussion of the merits of individual proposals, and of the countries that submitted them – and, in so doing, has de-politicised the process.

Table 8.1 shows, for each of the first eight rounds of funding, the number of proposals submitted (i.e., screened in by the Global Fund Secretariat) and the number recommended for funding by the TRP (i.e., classified as Category 1 or 2). (Because the Global Fund Board has always gone along with the TRP's recommendations, for this table "recommended for funding" is the same as "approved.")

**Table 8.1 – Recommendation Rates for Rounds 1-8**

Round	Eligible proposals	
	No. submitted	No. (and %) recommended for funding
1	204	58 (28%)
2	229	98 (43%)
3	180	71 (39%)
4	173	69 (40%)
5	202	63 (31%)
6	196	85 (43%)
7	150	73 (49%)
8	174	94 (54%)
<b>Total</b>	1,508	611 (41%)

Note that although most proposals are for a five-year period, the Board only immediately approves funding for the first two years (known as Phase 1).

As mentioned above, when it rates proposals as Category 1 or Category 2, the TRP usually asks the applicant to clarify some items in the proposal. This is known in Global Fund parlance as “TRP clarifications.” TRP clarifications for proposals rated Category 1 are often quite minor; but for proposals rated Category 2, they are usually more extensive.

The list of TRP clarifications is not sent to each applicant until after the Board has formally approved funding for the proposal in question. This means that the funding approvals are conditional on the applicant responding to the clarifications and the TRP being satisfied with the response. There have been a very small number of instances where approval by the board has eventually been revoked because the clarifications provided were viewed as not being satisfactory.

The TRP clarifications process can take several weeks.

### ***Want to know more?***

A brief description of the Global Fund’s rounds-based proposal process is available in all six U.N. languages by going to the Fund’s website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Applicants and Implementers tab, and then clicking on “Applying for Grants,” “Round Based Channel” and “Application Process” in the left-hand menu; or by clicking [here](#).

Information on the Global Fund’s requirements concerning income level, targeting of population groups and cost-sharing is available in all six U.N. languages by going to the Fund’s website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Applicants and Implementers tab, and then clicking on “Applying for Grants,” and “Country Eligibility Criteria” in the left-hand menu; or by clicking [here](#).

Information on all of the above is also available in the guide that Aidspan produces for each new round of funding. *The Aidspan Guide to Round 8 Applications to the Global Fund* is available in English, French and Spanish at [www.aidspan.org/guides](http://www.aidspan.org/guides), or by clicking [here](#). The guide comes in two volumes. Among other things, *Volume 1: Getting a Head Start* provides guidance on how CCMs can manage the proposal development process; and includes an extensive analysis of the strengths and weaknesses of proposals submitted in previous rounds of funding (based on comments by the TRP). *Volume 2: The Applications Process and the Proposal Form* provides information on the Round 8 applications process; and provides step-by-step guidance on filling out the proposal form. *Note: Because the Global Fund’s proposal form and guidelines for Round 9 were virtually identical to those used for Round 8, Aidspan did not produce a guide for Round 9.*

## **Rolling Continuation Channel**

In 2007, the Global Fund introduced a new channel of funding. Unlike the rounds-based channel, applications for the rolling continuation channel (RCC) are by invitation only. Applicants whose existing rounds-based grants have demonstrated strong performance may be invited by the Global Fund Secretariat to seek to extend these grants by applying for funding under the RCC. The Global Fund Secretariat makes the determination as to who gets invited.

Invitations are issued by the Global Fund Secretariat about a year and a half before the scheduled expiry date of the existing five-year grant. The Secretariat provides applicants

with a proposal form which is a slightly simplified version of the proposal form used in the rounds-based channel. Like the rounds-based channel:

- RCC proposals are reviewed by the TRP;
- the TRP assigns each proposal to one of four categories;
- only proposals rated Category I or 2 are recommend for funding; and
- the Global Fund Board makes the final decisions on funding.

Like funding under the rounds-based channel, RCC funding is split into two phases (under the RCC, these phases are called “terms”). The first term is for three years; the second term is for up to three years. Under the RCC, the scope of the proposal must not be materially different from the scope of the original grant, though some changes are allowed.

CCMs, sub-CCMs and RCMs that have been invited to apply for funding under the RCC must meet the same eligibility requirements that all coordinating mechanisms have to meet under rounds-based funding.

Applicants may not request funding for the same activities through both the rounds-based channel and the RCC. In the event that there is not enough funding to go around when the Board approves proposals, RCC proposals take precedence over rounds-based proposals.

The Global Fund plans to issue invitations to submit proposals under the RCC two or three times a year.

Table 8.2 summarises the results for the first five “waves” of funding (they are called “waves,” not “rounds”).

**Table 8.2 – RCC Applications and Results: Waves 1-5**

Wave	Number of expiring grants eligible for consideration	OF WHICH: Number and % invited to apply	OF WHICH: Number of new proposals submitted	Board decision date	Number of proposals approved
1	51	11 (22%)	10	Nov 2007	5: (1 HIV, 1 TB, 3 malaria)
2	31	11 (36%)	10 <sup>1</sup>	Apr 2008	6: (3 HIV, 1 TB, 2 malaria)
3	18	8 (45%)	7	July 2008	3+5 <sup>3</sup> : (4 HIV, 1 TB, 3 malaria)
4	22	8 (36%)	8	October 2008	3+2 <sup>5</sup> : (2 HIV, 2 TB, 1 malaria)
5	17	8 (47%)	6	March 2009	3+3 <sup>7</sup> : (2 HIV, 2 TB, 2 malaria)
<b>Total</b>	<b>139</b>	<b>46 (33%)</b>	<b>6</b>		<b>30: (12 HIV, 7 TB, 11 malaria)</b>

<sup>1</sup> This represents nine countries; one applicant submitted a proposal containing two disease elements (which counts as two proposals in the table).

<sup>3</sup> Three of the new applications and five Wave 1 re-submissions.

<sup>5</sup> Three of the new applications and two Wave 2 re-submissions.

<sup>7</sup> Three of the new applications and three Wave 3 re-submissions.

### ***Want to know more?***

Information on the RCC is available (in English only) by going to the Fund's website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Applicants and Implementers tab, and then clicking on "Applying for Grants" and "Rolling Continuation Channel" in the left-hand menu; or by clicking [here](#).

## **National Strategy Applications**

In 2009, the Global Fund Board introduced a new funding mechanism on a pilot basis, called "National strategy applications (NSAs)." Under this new approach, a country that has developed a solid national strategy for tackling HIV/AIDS, TB or malaria is able to apply for Global Fund support for implementation of this strategy. Thus, the national strategy, rather than how the country fills in a Global Fund-specific proposal form, becomes the primary determinant of whether the grant is awarded.

The Global Fund invited 23 CCMs to take part in the "first learning wave" of NSAs. It is called "first learning" because NSAs are still a relatively new concept and they involve developing a new set of policies and procedures. The Global Fund plans to refine these policies and procedures based on its experience with the first learning wave, and then (hopefully) to do a broader roll-out of NSAs, possibly starting in 2010 (if the first learning wave is successful).

The first learning wave entails a two-stage process. The first stage involved a desk review of the national strategy and accompanying documentation (such as an operational plan) to ensure that they contain enough information to be considered as the basis of a funding application. The review was done by a Strategy Review Team made up of members of the TRP. If the outcome of this desk review was favourable, the Review Team made a country visit to seek clarifications and collect additional information. More importantly, a favourable desk review also meant that the CCM could proceed to the second stage, which involves the CCM submitting the actual NSA, which will consist of a short application focusing on the financial request. The application will be reviewed by the TRP.<sup>6</sup>

The NSAs can request funding for the remaining time frame of their national strategies, up to a maximum duration of five years. To ensure parity with the rounds-based channel of funding, initial funding commitments will be for two years, and funding for the balance of the term will be dependent on satisfactory performance. As with rounds-based proposals, NSAs will be screened by the Global Fund Secretariat to ensure that the applicant CCM has met the minimum requirements for CCMs.

## **Other Funding Mechanisms Being Considered**

The Global Fund Board has been examining other possible approaches to funding; discussions are in a very preliminary phase. Examples of such approaches are as follows:

- **Single funding stream.** This would involve creating a single funding stream per country, disease and PR. This would work something like a bank loan or line of credit, where funds can be added or the term extended. This approach would

---

<sup>6</sup> Of the 23 CCMs invited to take part in the first learning wave, 20 accepted the invitation; eight passed the desk review and were invited to submit NSAs.

attempt to address problems that have arisen as a result of individual PRs having multiple grants to administer.

- **Multiple application windows.** This could involve merging the rounds-based channel with the RCC and, in the process, creating multiple application windows per year.

## Chapter 9: Country Coordinating Mechanisms

*This chapter describes country coordinating mechanisms, the centrepiece of the Global Fund structure at country level. The chapter includes sections on the responsibilities of these mechanisms, on how they function and on what guidance the Global Fund has provided.*

As mentioned in *Chapter 4: Structure of the Global Fund In-Country*, most proposals to the Global Fund are submitted by Country Coordinating Mechanisms (CCMs), established specifically for this purpose and to carry out certain other responsibilities (as defined below). There have been a few instances of existing bodies being used as CCMs or being converted to CCMs, but the vast majority of CCMs were created as new organisations.

CCMs are a cornerstone of the Global Fund's philosophy of working through multi-sectoral partnerships. CCMs are comprised of representatives from both the public and private sectors – including governments, multilateral or bilateral development agencies, NGOs, academic institutions, private businesses and people living with the diseases. If the CCM is operating as it should, these sectors collaborate closely to develop proposals and to carry out the other responsibilities of the CCM.

CCMs are independent entities; they are not formally part of the Global Fund. Nevertheless, the Global Fund has developed guidance on how CCMs should be structured and how they should function. Some of this guidance is in the form of requirements – i.e., conditions that the CCM has to meet before the Global Fund will accept proposals from the CCM. Other guidance is in the form of recommendations.

Note: The Global Fund guidance on CCMs applies equally to sub-CCMs and RCMs. (Sub-CCMs and RCMs are described in *Chapter 8: The Global Fund's Application Processes*.)

### Responsibilities of CCMs

The CCM is responsible for:

- preparing and submitting proposals to the Global Fund;
- nominating the PRs that will be responsible for implementing the programme(s) for which the CCM is seeking funding; and
- overseeing the implementation of programmes financed by Global Fund grants.

Often, the CCM is also involved in selecting the SRs that will participate in the implementation of the programme for which the CCM is seeking funding. However, this responsibility is sometimes shared with, or assigned to, PRs.

The roles of the PRs and SRs are discussed further in *Chapter 11: Grant Implementation Process*.

### How CCMs Function

Most CCMs have between 15 and 30 members. Regularly scheduled meetings are held several times a year. Additional meetings can be called when the need arises, such as when a proposal is being prepared. Each CCM has a Chair and a Vice-Chair, selected by the members of the CCM.

The CCM should function as a committee, with full and equal participation by all sectors, and with decisions being taken either by consensus or by voting (or a combination of the two). Unfortunately, on many CCMs, governments (and sometimes development partners) dominate the CCM.

Most CCMs have a secretariat – sometimes possibly just one person, but usually more – to handle administrative functions (such as organising meetings, preparing minutes and distributing documents). Most CCMs develop a terms of reference (TOR) document describing the structure and operations of the CCMs.

In some ways, the CCM can be compared to the board of directors of a corporation, establishing policy and monitoring progress towards meeting targets, but not getting involved with day-to-day operations.

## **Global Fund Guidance on CCMs**

### ***Requirements***

As mentioned above, the Global Fund has established certain requirements for CCMs. The following requirements concern the structure and operations of the CCM:

- There must be representation on the CCM from organisations representing “people living with and/or affected by the [three] diseases.”<sup>7</sup>
- CCM members representing the non-government sectors must be selected or elected by their own sectors based on a documented, transparent process, developed within each sector.
- When the PRs and chair or vice-chairs of the CCM are from the same entity, the CCM must have a written plan in place to mitigate against this inherent conflict of interest.

The following requirements concern the process followed by the CCM for the development of proposals:

- CCMs are required to maintain a transparent, documented process to solicit submissions from organisations in-country for possible integration into the CCM’s proposal.
- CCMs are required to maintain a transparent, documented process to review the submissions it receives.
- CCMs are required to maintain a transparent, documented process to nominate the PRs for each proposal it submits.
- CCMs are required to maintain a transparent, documented process to ensure the input of a broad range of stakeholders, including CCM members and non-members, in the proposal development process.

The following requirements concern the process followed by the CCM for overseeing the implementation of programmes financed by Global Fund grants:

- CCMs are required to maintain a transparent, documented process to oversee project implementation.

---

<sup>7</sup> In practice, this has been interpreted to mean people living with HIV or tuberculosis. It is not practical to have a person living with malaria sitting on the CCM, since malaria is not a chronic disease.

- CCMs are required to maintain a transparent, documented process to ensure the input of a broad range of stakeholders, including CCM members and non-members, in the grant oversight process.

## Recommendations

The Global Fund recommends that certain sectors be represented on CCMs. The sectors are listed in Table 8.1.

**Table 8.1: Sectors that the Global Fund Recommends Be Represented on CCMs**

<b>Government</b>	National Government	
	In-country multi- and bi-lateral development organisations	
<b>Non-Government</b>	Civil society	Academic and educational institutions
		NGOs and community-based organisations
		People living with the diseases
		Faith-based organisations
		Key affected populations <sup>8</sup>
	Private sector	

The Global Fund further recommends that at least 40 percent of the CCM membership come from the non-government sectors.

In addition, the Global Fund recommends:

- that CCMs elect a chair and vice-chair from different sectors;
- that the CCM chair and vice-chair be from domestic entities;
- that CCMs have a gender balance and gender expertise amongst its membership; and
- that information related to the Global Fund – such as calls for proposals, decisions taken by the CCM, which proposals have been approved for funding – be disseminated widely to all interested parties in the country.

### Dual track financing

Finally, in a new policy adopted when Round 8 was launched, the Global Fund recommends that for each proposal, the CCM nominate both a PR from the government sector and a PR from a non-government sector (or more than one from each sector). (This known in Global Fund parlance as “dual track financing.”) When a proposal does not nominate PRs from both sectors, the Fund requires an explanation.

Dual-track financing is an approach that the Global Fund favours because (a) it is consistent with the Fund’s principles of partnership and multi-sector involvement; (b) it can increase a

<sup>8</sup> The Global Fund uses the UNAIDS definition of “key affected populations,” as follows: women and girls, youth, men who have sex with men, injecting and other drug users, sex workers, people living in poverty, prisoners, migrants and migrant labourers, people in conflict and post-conflict situations, refugees and displaced persons.

country's absorption capacity; (c) it can accelerate the implementation of programmes; and (d) it can improve the performance of grants.

Until recently, most PRs were from the government sector. However, the Global Fund's own records show that, on average, PRs from the non-government sectors outperform government PRs to a modest extent.

### ***Want to know more?***

As indicated earlier, the Global Fund's guidance concerning the requirements that all coordinating mechanisms – i.e., CCMs, Sub-CCMs and RCMs – have to meet is contained in two documents: (1) *Guidelines on the Purpose, Structure, Composition and Funding of Country Coordinating Mechanisms and Requirements for Grant Eligibility*; and (2) *Clarifications on CCM Minimum Requirements*. Both documents are available in all six U.N. languages by going to the Fund's website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Who We Are tab, and then clicking on "Core Structures," "Country Coordinating Mechanisms" and "Guidelines and Documents" in the left-hand menu; or by clicking [here](#).

There are a number of other documents on the CCM pages, including case studies of CCMs conducted in 20 countries in 2007-2008.

For Round 9, the Global Fund prepared a fact sheet on dual track financing. It is available in the six U.N. languages by going to the Fund's website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Applicants and Implementers tab, and then clicking on "Applying for Grants," "Round Based Channel," "Round 9" and "Round 9 FAQ and Fact Sheets" in the left-hand menu; or by clicking [here](#).

## Chapter 10: Proposal Development Processes In-Country

*This chapter describes the processes that CCMs may follow for the development of their proposals. It lists the Global Fund requirements with respect to proposal development; and discusses what is involved in putting a proposal together, and in identifying the principal recipients and sub-recipients.*

Under both the rounds-based and rolling continuation channels, applicants are required to develop and submit proposals. For applications from CCMs (and sub-CCMs and RCMs) the Global Fund has established certain requirements concerning the proposal development process. These were described in *Chapter 9: Country Coordinating Mechanisms*, and are repeated here for ease of reference:

- CCMs are required to maintain a transparent, documented process to solicit submissions from organisations in-country for possible integration into the CCM's proposal.
- CCMs are required to maintain a transparent, documented process to review the submissions it receives.
- CCMs are required to maintain a transparent, documented process to nominate the PRs for each proposal it submits.
- CCMs are required to maintain a transparent, documented process to ensure the input of a broad range of stakeholders, including CCM members and non-members, in the proposal development process.

The Global Fund provides limited guidance on how CCMs should implement these requirements. Aidspan has provided more extensive guidance. (See the “Want to know more?” box at the end of this chapter for details.) CCMs must ensure that the processes outlined above are well documented in order to demonstrate that they have conformed to all requirements.

### Putting the Proposal Together

In practice, many CCMs set up a special committee, working group or team to coordinate the proposal development process. If a CCM is planning to include more than one disease component in its proposal, it may set up one committee for each component.

In one form or another, most CCMs issue a call for submissions, asking organisations in-country what they would like to see included in the CCM's proposal. Some CCMs issue an open call; others issue the call to a limited number of organisations that it has already identified.

In some instances, the process is wide open – i.e., the CCM issues the call for submissions without establishing any criteria or guidelines. In other cases, the CCM first establishes the general outline of the proposal it wants to submit – e.g., the goals, objectives and types of services – and then issues the call for submissions, asking applicants to stay within the general outline.

Another approach followed by some CCMs is to hold broad consultations on what the proposal should look like; to develop the general outline of the proposal based on the consultations; and then to issue a call for submissions.

A few CCMs have opted for a process that does not involve issuing a call for submissions. Here is a description of one such process:

1. The CCM identifies organisations that would be likely candidates to help implement the programmes that ultimately will be included in the proposal.
2. The CCM brings these organisations together to help design the general outline of the proposal.
3. A proposal development group is established, with representation from some of the organisations consulted.
4. During the drafting of the proposal, additional consultations are held with some of the organisations consulted.
5. A draft proposal is reviewed by all of the organisations consulted.

Although this process did not meet the letter of the requirements (which says that the CCMs has to solicit submissions), it upheld the principle behind the requirement – i.e., that there be input from a broad range of stakeholders in the development of the proposal.

## Identifying PRs and SRs

Nominating the PR is one of the most critical functions of the CCM, because the PR will be responsible for implementing the programmes if the proposal is approved. The Global Fund signs the Grant Agreement with the PR (not with the CCM).

Increasingly, CCMs are nominating more than one PR, with each PR being responsible for a portion of the project covered by the proposal. Frequently, the CCM will nominate one government PR and one PR from another sector, usually the NGO sector or the FBO sector. This is known as “dual-track financing” (see *Chapter 9: Country Coordinating Mechanisms*).

The selection of SRs is also often a very important function of the CCM. (However, it should be noted, as pointed out in the previous chapter, that SR selection is sometimes delegated to the PR.) Over time, the average size of a grant has grown, and PRs frequently find themselves managing several grants at the same time. More and more, the PR is concentrating on managing the flow of money and on managing the SRs; and it is the SRs that are delivering the actual services. (Some SRs are both delivering services and managing sub-SRs who are also delivering services.)

With respect to the process for identifying PRs and SRs, some CCMs issue a call for expressions of interest, usually after the in-country submissions have been reviewed and the CCM has a good idea of what the final proposal will look like. Other CCMs issue the call for expressions of interest at the same time as they issue the call for in-country submissions. (Respondents can choose to respond to just the call for submissions, or to both the call for submissions and the call for expressions of interest.) Still other CCMs draw up a list of potential PRs and SRs and then approach these organisations to determine whether they are interested and qualified.

Frequently, CCMs select the same PR that has already been implementing Global Fund grants. In these instances, the Global Fund still requires that a transparent PR selection still be implemented, though in practice this may not always occur.

### ***Want to know more?***

Some guidance on the proposal development process is provided in the Global Fund's *Clarifications on CCM Minimum Requirements*, which is usually updated for each new round of funding. This document is available in all six U.N. languages by going to the Fund's website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Who We Are tab, and then clicking on "Core Structures, "Country Coordinating Mechanisms" and "Guidelines and Documents" in the left-hand menu; or by clicking [here](#).

Aidspan has provided more extensive guidance on the proposal development process in *The Aidspan Guide to Round 8 Applications to the Global Fund (Volume 1: Getting a Head Start)*, available in English, French and Spanish at [www.aidspan.org/guides](http://www.aidspan.org/guides); or by clicking [here](#).

Aidspan has also developed a series of *Documents for In-Country Submissions*. These are tools that the CCM can use when it issues its call for submissions; they include a template for the actual submissions. These documents are available in English, French, Spanish and Russian at [www.aidspan.org/publications](http://www.aidspan.org/publications) (click on "Other Aidspan publications"); or by clicking [here](#).

## Chapter 11: The Grant Implementation Process

*This chapter provides an overview of the grant implementation process. It applies to grants signed under both the rounds-based and rolling continuation channels. The chapter is organised according to the steps involved in implementation: assignment of the portfolio manager at the Global Fund; selection of the local fund agent; assessment of the nominated principal recipient; signing of the grant agreement; ongoing reporting, reviews and disbursements; preparation of the grant performance report; and Phase 2 renewal. The chapter also discusses other topics related to implementation: grant consolidation, procurement and supply management, and monitoring and evaluation.*

Proposals to the Global Fund usually cover a five-year period. When a proposal is approved, funding is committed for only the first two years (known as Phase 1). Separate grant agreements are signed with each of the Principal Recipients (PRs) nominated in the proposal (assuming that each PR “passes” the PR assessment; see below). If each grant is performing satisfactorily, towards the end of Phase 1 funding for the final three years (known as Phase 2) is approved.

(For grants approved under the RCC, “term” is used instead of “phase” and both terms usually last for three years.)

### Assignment of a Fund Portfolio Manager

Once a proposal is recommended for approval by the TRP, the Global Fund Secretariat assigns a fund portfolio manager (FPM) to the file. From this point on, the FPM will be the main contact person for PRs implementing grants emanating from the proposal. (Each FPM typically handles all grants from the country in question. Often an FPM may also have in his or her portfolio grants from a small number of neighbouring countries.)

### Selection of the Local Fund Agent

As explained in *Chapter 4: Structure of the Global Fund In-Country*, the job of the local fund agent (LFA) is to fulfil a verification role within the country on behalf of the Global Fund, evaluating the financial management and administrative capacity of nominated PRs, and monitoring the PRs’ expenditures and progress in programme implementation.

Once a proposal is approved by the Global Fund Board, the Global Fund Secretariat proceeds to assign an LFA to the grants emanating from the proposal. In fact, the Global Fund has already identified the LFA for each country (because almost every eligible country has already received grants from the Global Fund, and because there is usually only one LFA per country), so the Secretariat simply assigns the LFA for the country in question.

### PR Assessment

The LFA is responsible for conducting an assessment of each PR nominated by the applicant in its proposal (and for recommending a determination to the FPM). The main objective of the PR Assessment is to determine if the proposed PR’s existing systems and capacities correspond with the Global Fund’s minimum requirements to successfully implement a programme and manage grant funds.

The PR Assessment focuses on the proposed PR’s existing systems and capacities, together with the implementation arrangements that the PR has made for the programme

being funded by the Global Fund grant, in four functional areas where the Global Fund has defined minimum capacity requirements:

1. Financial Management Systems;
2. Institutional and Programmatic arrangements;
3. Procurement and Supply Management; and
4. Monitoring and Evaluation (M&E) arrangements.

The PR Assessment is also used to identify critical capacity gaps that need to be addressed in the short or long term to enhance the efficiency and effectiveness of programme implementation.

If some of the capacity building initiatives will be undertaken or completed only after the signing of the Grant Agreement, the Agreement will reflect the fact that the PR is obligated to complete these initiatives. (The capacity building initiatives will be included as “conditions precedent” in the Grant Agreement – see next section.)

If the Global Fund Secretariat decides that the proposed PR has the minimum capacities and systems or could acquire them, the FPM proceeds with Grant Agreement negotiations.

If, on the other hand, the Global Fund Secretariat decides that a nominated PR does not have adequate capacity to carry out the programme, and that the PR is not likely to have adequate capacity even after some capacity building is undertaken, then the PR will be rejected and the CCM will be asked to nominate another PR.

## **Grant Agreement**

Once a PR is confirmed, negotiations begin on the Grant Agreement (i.e., legal contract) that the PR will sign with the Global Fund.

(It is important to understand that although the original proposal was submitted by the CCM, the Grant Agreements are signed with the PRs, not the CCM.)

During this period, the PR prepares a final budget and workplan. These are based on the approved proposal, but may differ slightly from what was described in the proposal. The workplan includes a list of indicators that will be used to monitor the implementation of the activities included in the workplan. An example of an indicator is “number of people receiving antiretroviral treatment.” For each indicator, one or more targets are shown. These targets represent what the PR will try to achieve at different periods during the course of the grant.

From the list of indicators in the workplan, the PR is asked to select what are called “key performance indicators.” These indicators (and their associated targets) are then included in the Grant Agreement, and are used by the Global Fund to measure the performance of the programmes being funded by the grant (in Global Fund parlance, this is called “grant performance”).

Among other things, the Grant Agreement includes the following:

- a description of the programme that will be implemented;
- a summary of the budget;
- a list of the key performance indicators and targets; and

- special terms and conditions.

The special terms and conditions can include special arrangements that have been put in place for the implementation of the grant, or conditions that the PR has to fulfil either before any funding is disbursed to the PR, or during implementation.

In Global Fund parlance, these conditions are called “conditions precedent,” or “CPs.” Typically, CPs are capacity building measures that the PR must undertake; in some cases, they may include administrative procedures that the PR must implement. They are called “conditions precedent” because the PR must fulfil the conditions in order to receive initial or ongoing disbursements from the Global Fund for the implementation of the grant.

Once the Grant Agreement is signed, the Global Fund provides the PR with the first instalment of money. The first disbursement usually consists of enough funding for the first reporting period plus, as a buffer, one additional quarter. (The reporting periods are determined during the negotiations for the Grant Agreement. They are usually every three or six months.)

## Ongoing Reporting, Reviews and Disbursements

Within 45 days after the end of each reporting period, the PR is required to provide the Global Fund, via the Local Fund Agent, with a Progress Update and Disbursement Request, best known by its abbreviation, “PU/DR.”

As the name suggests, this document consists of a progress report on the implementation of a grant, and a request for funds for the next reporting period. The progress report includes information on the programme being implemented (including results against targets) and information on expenditures. It also includes information on progress in implementing CPs (if there were any).

The PU/DR is prepared by the PR, reviewed by the LFA and then submitted to the Global Fund Secretariat.

After reviewing the PU/DR, the Secretariat assigns a performance rating to the grant from the following scale:

A1	Exceeded expectations
A2	Met expectations
B1	Adequate
B2	Inadequate, but potential demonstrated
C1	Inadequate, no potential demonstrated
C2	Unacceptable

The Secretariat then decides whether to allow the requested disbursement of funds; allow a partial disbursement of funds; or deny the disbursement request. An outright denial of the request is rare; it would only happen if a grant was in serious trouble.

In addition to submitting PU/DRs, PRs are obligated to regularly report certain information about health products procured using Global Fund money. The Global Fund also requires that the PR’s annual financial statements be audited by an external auditor (PRs must submit audit plans at the grant negotiation stage).

## Grant Performance Report

The Grant Performance Report (GPR) is prepared by the Global Fund Secretariat when the Grant Agreement is signed, and is updated with every Progress Update received throughout the life of the grant. The GPR is intended to provide the Secretariat, PRs and all other Global Fund stakeholders with a thorough and transparent summary of a grant throughout its lifetime. The report includes information about the initial PR assessments, the Grant Agreement, the programmes being implemented, indicators and targets, results achieved to date, and grant performance ratings. GPRs are publicly available on the Global Fund website.

## Phase 2 Renewal

Before the end of Phase 1 of the grant, the Global Fund decides whether to continue funding for Phase 2. This review is an integral part of the Global Fund's system of performance-based funding. The Global Fund will only approve Phase 2 funding if a project is performing adequately (and, of course, if there are sufficient funds available).

The Phase 2 Renewal process starts at the end of the grant's 18<sup>th</sup> month and takes four or five months to complete. The end result (unless there are performance or funding problems) is the signing of an extension to the original Grant Agreement.

The FPM initiates the Phase 2 Renewal process by asking the CCM to submit a Request for Continued Funding. The request is expected to be broadly consistent with the goals and objectives of the original approved proposal, while reflecting lessons learned from programme implementation. Among other things, the Request for Continued Funding contains:

- an assessment of grant performance by the CCM;
- the proposed budget, major activities, objectives, indicators and targets for Phase 2; and
- contextual information, such as the current state of the epidemic.

The Request for Continued Funding is prepared by the CCM in collaboration with the PR, is reviewed by the LFA and is then submitted to the Global Fund Secretariat. The Secretariat then prepares a recommendation on continued funding for the Global Fund Board.

When assessing the performance of the grant, the Global Fund Secretariat establishes a performance rating, using the same ratings scale as for the PU/DRs (see above). In developing its recommendation for the Board, the Secretariat looks not only at grant performance, but also at contextual considerations, such as whether there have been any adverse external influences (such as civil war or a significant natural disaster), and whether there are issues with the management of the project.

For its recommendation, the Secretariat places each grant into one of three decision categories: "Go," "Conditional Go," or "No Go." The meaning of "Go" and "No Go" is obvious. If a grant is placed in the Conditional Go category, it means that the Secretariat is recommending that Phase 2 funding be approved conditional on the CCM or PR undertaking specific actions by a certain time.

The Secretariat may place some grants in a fourth decision category: "Revised Request." This happens when the CCM is proposing a significant re-programming of the grant for Phase 2, and has submitted a revised budget and revised targets. For grants in this

category, the revised budget and targets are sent to the TRP for review, and the TRP makes a recommendation to the Global Fund Board concerning whether Phase 2 should be approved.

Because the implications of a No Go recommendation are serious, the Global Fund allows the CCM to comment on a provisional “No Go” recommendation before it is finalized. As well, if the Global Fund Board decides not to accept a No Go recommendation for a particular grant, the recommendation is reviewed by the Secretariat and may be referred to an independent review panel for advice. But it is the Board that makes the final decision.

### ***Continued Funding for Grants that Have Not Been Renewed***

If Phase 2 is not approved, funding for the grant terminates at the conclusion of Phase 1. However, in situations in which Global Fund resources have been used to start people on lifelong treatment, or other treatment that is designed to extend beyond the termination of the grant, Global Fund resources can be provided to continue treatment for a period of up to two years (providing the grant recipient has been unable to secure the necessary resources from other sources).

## **Grant Consolidation**

As the Global Fund has grown, so has the number of grants being administered by the Global Fund Secretariat. By May 2009, the number had reached approximately 600. Administering this many grants presents administrative challenges not only for the Secretariat, but also for PRs that may be managing several grants for the same disease at the same time. Therefore, the Global Fund has adopted a policy allowing PRs to consolidate multiple grants in certain circumstances.

The concept was successfully pilot tested in 2007. On the proposal form for Round 8, in 2008, the Global Fund asked applicants to indicate whether they wished to consolidate their proposal (or, more accurately, the grant(s) that would ensue should their proposal be approved for funding) with existing grants.

However, the Global Fund has found it difficult to implement grant consolidation beyond the pilot project. Some of the obstacles include grants having different starting dates, and grants being in different phases (e.g., trying to consolidate a grant currently in Phase 2 with a grant still in Phase 1).

## **Procurement and Supply Management**

The Global Fund estimates that almost half of the money it gives out in grants has been spent on procurement – i.e., purchasing drugs and other health products, as well as commodities such as condoms. The Global Fund does not do any procurement itself; the PRs are fully responsible for procurement. However, the Fund has established a number of procurement-related requirements. For example, before a Grant Agreement is signed with a PR, the PR must produce a procurement and supply management plan.<sup>9</sup> And the PR must file regular reports on procurement during the life of the grant.

In addition, the Global Fund has established a Voluntary Pooled Procurement mechanism whereby PRs are able to procure a large number of health products through a global pooled

---

<sup>9</sup> “Procurement” refers to purchasing products. “Supply management” refers to storing and distributing products.

procurement service operated by third party procurement agents selected by the Global Fund. The health products include first- and second-line antiretrovirals, artemisinin-combination therapies (ACTs), and long-lasting insecticide treated nets (LLINs).

## **Monitoring and Evaluation**

The Global Fund considers monitoring and evaluation (M&E) to be a critical part of programmes supported with Global Fund grants. The Fund has promoted the development of effective national monitoring and evaluation systems for each of the three diseases, and has helped to develop tools to assist countries to develop these systems (see the “Want to know more?” box on the next page.)

As the organisation responsible for implementing the grant, the PR is required to develop an M&E Plan spelling out how it plans to monitor implementation. As indicated above, the Global Fund Secretariat reviews progress on a regular basis. In addition, as indicated in *Chapter 7: Country Coordinating Mechanisms*, the CCM also has a responsibility to monitor implementation (this is referred to as “grant oversight”).

## ***Want to know more?***

Aidspan describes the **grant implementation process** in considerable detail in *The Aidspan Guide to Understanding Global Fund Processes for Grant Implementation*, available at [www.aidspan.org/guides](http://www.aidspan.org/guides); or by clicking [here](#). The guide comes in two volumes. Volume 1, available in English only, covers the period from grant approval to signing the Grant Agreement. Volume 2, available in English, French and Spanish, covers the period from first disbursement to Phase 2 renewal.

With respect to information on grant implementation policies and procedures, the Global Fund is developing a Users' Guide which it says will be publicly available in November 2009. Some information is available at the Global Fund website at [www.theglobalfund.org](http://www.theglobalfund.org). In addition, a number of documents on policies and procedures are available (in various languages) at [www.aidspan.org/globalfund/implementation](http://www.aidspan.org/globalfund/implementation), a page on the Aidspan website created to provide links to documents cited in the two volumes of the Aidspan guide mentioned above. This page can also be accessed by clicking [here](#).

For Round 9, the Global Fund produced a fact sheet on **Grant Consolidation**. It is available in the six U.N. languages by going to the Fund's website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Applicants and Implementers tab, and then clicking on "Applying for Grants," "Round Based Channel," "Round 9" and "Round 9 FAQ and Fact Sheets" in the left-hand menu; or by clicking [here](#).

There is considerable information available on **individual grants**. The Global Fund's grant database is available by going to the Fund's website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Grant Portfolio tab, and then clicking on "Search Grants" in the left-hand menu; or by clicking [here](#). This database allows you to search by region, country, disease component and round of funding. For each grant, information is available on (among other things) the programmes being implemented, the original proposal submitted to the Global Fund, the Grant Agreement, the latest GPR, the PU/DRs that have been submitted; and the amount of funding requested, approved and disbursed (to date). All of this information (and more) is also offered via Aidspan's grants database (called "Grant Details, Analysis and Evaluation"), available at [www.aidspan.org/grants](http://www.aidspan.org/grants); or by clicking [here](#).

There is a wealth of information (mostly in English only) on **procurement and supply management** available on the Global Fund's website. This information can be accessed by going to the Fund's website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Applicants and Implementers tab, and then clicking on "Procurement and Supply Management" in the left-hand menu; or by clicking [here](#). Among the information provided is a guide to preparing a procurement and supply management plan; it is available in English, French, Spanish and Russian. There is a link on the Procurement page to the Price Quality & Reporting (PQR) system, in which PRs are required to enter information on each purchase of health products. The system is in its infancy, but should eventually generate very useful reports on health product pricing and usage.

Information on **M&E** is available in varying languages by going to the Fund's website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Applicants and Implementers tab, and then clicking on "Monitoring and Evaluation" in the left-hand menu; or by clicking [here](#). The documents available on this page include the 2009 version of the *Monitoring and Evaluation (M&E) Toolkit*, an addendum to the toolkit, an *M&E Systems Strengthening Tool*, a *Framework for Operations Research*, and a guide on how to develop an M&E plan. The Fund has produced a Guidance Paper on CCM Oversight, available in the six U.N. languages by going to the Fund's website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Who We Are tab, and then clicking on "Core Structures," "Country Coordinating Mechanisms" and "Guidelines and Documents" in the left-hand menu; or by clicking [here](#).

## Chapter 12: Reporting on Progress

*This chapter briefly describes the different kinds of progress reports issued by the Global Fund.*

The Global Fund periodically issues reports on how the Fund is doing. There are several types of report:

**Annual reports.** These usually include a report on the results achieved during the year; a discussion of future challenges; and financial statements.

**Global progress reports.** These are often issued in conjunction with a special event, such as a donor replenishment meeting. The contents tend to vary. One recent report contained sections on “results at a glance;” a discussion on how the Fund fared against its own performance indicators; and a discussion concerning how the Fund is implementing the principles of the Paris Declaration on Aid Effectiveness.

**Regional reports.** These reports tend to deal with both achievements and challenges. When we went to press, the Global Fund website contained reports on (a) Eastern Europe and Central Asia; and (b) Southern Africa.

### ***Want to know more?***

The annual reports are available (in English only) by going to the Fund’s website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Media Center tab, and then clicking on “Publications” and “Annual Reports” in the left-hand menu; or by clicking [here](#). The global progress reports are available by going to the Fund’s website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Media Center tab, and then clicking on “Publications” and “Progress Reports” in the left-hand menu; or by clicking [here](#). The regional reports are available by going to the Fund’s website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Media Center tab, and then clicking on “Publications” and “Other Publications” in the left-hand menu; or by clicking [here](#).

## Chapter 13: Evaluations of the Global Fund

*This chapter provides a brief overview of the types of evaluations of the Global Fund that have been conducted.*

Over the years, there have been a considerable number of studies conducted on the functioning and impact of the Global Fund. Some of these have been done internally by the staff of the Global Fund Secretariat. Others have been commissioned by the Fund, but have been carried out by external consultants.

The following are examples of studies that have been conducted by Global Fund staff:

- *Global Fund Investments in Fragile States: Early Results*
- *Progress Report on Collaboration with Partners for Accelerated Implementation: Seven Country Case Studies*
- *Summary Paper on the Evaluation of the Local Fund Agent System*

The following are examples of external studies that have been undertaken:

- *A Multi-Country Study of the Involvement of PLWHA in the CCMs*
- *Civil Society Participation in Global Fund Governance: Recommendations and Actionable Items*
- *Measuring the Effects of the Global Fund on Broader Health Systems*

### The Five-Year Evaluation

In 2009, the Global Fund completed a major assessment of its performance: a five-year evaluation, conducted over two years. The “five years” refers to the fact that by 2007 the Fund had been operating for five years and had completed its first full grant cycle. The process, which was led by the Technical Evaluation Reference Group (TERG),<sup>10</sup> involved three distinct study areas:

- **Study Area 1: Organisational Efficiency.** Do the policies and operations of the Global Fund reflect its core principles? Is the Fund performing in an efficient and effective manner?
- **Study Area 2: Partnership Environment.** How effective and efficient is the Global Fund’s partnership system in supporting HIV, malaria and TB programmes at global and country levels?
- **Study Area 3: Health Impact.** What has been the overall reduction on the burden of the three diseases, and what has been the Global Fund’s contribution to this reduction?

A team of international evaluators was commissioned to carry out the study.

The report on Study Area 1 (Organisational Efficiency) was published in October 2007. The report on Study Area 2 (Partnership Environment) was published in mid-2008, and was accompanied by a report from the TERG commenting on the evaluation and its results. The report on Study Area 3 (Health Impact) was published in May 2009, and was again accompanied by a report from the TERG commenting on the evaluation and its results.

---

<sup>10</sup> See *Chapter 1: Structure of the Global Fund – Global Level* for a description of the TERG.

Finally, a Synthesis Report summarising the findings for all three study areas, and prepared by the evaluators, was issued in May 2009, and was accompanied by a report from the TERG commenting on the findings.

### ***Want to know more?***

Information on internal and external studies can be obtained (in English only) by going to the Fund's website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Who We Are tab, and then clicking on "Our Performance" and "Evaluation Library" in the left-hand menu; or by clicking [here](#). Click on "Integrated Evaluations" to obtain copies of studies that have been done on the Global Fund as a whole, or on more than one aspect of the functioning of the Fund. Click on "Specific Evaluations" to obtain copies of studies that have been done on individual aspects of the functioning of the Fund.

Information on the Global Fund Five-Year Evaluation can be obtained (in English only) by going to the Fund's website at [www.theglobalfund.org](http://www.theglobalfund.org), selecting the Who We Are tab, and then clicking on "Our Performance" and "Independent Evaluations" in the left-hand menu (and then clicking on "Continue to the 5 Year Evaluation"); or by clicking [here](#). The information available there includes:

- the report on Organisational Efficiency (Study Area 1) – *Evaluation of the Organizational Effectiveness and Efficiency of the Global Fund to Fight AIDS, Tuberculosis and Malaria: Results from Study Area 1 of the Five-Year Evaluation*;
- the two reports on Partnership Environment (Study Area 2) – (1) *Evaluation of the Global Fund Partner Environment, at Global and Country Levels, in Relation to Grant Performance and Health Systems Effects, Including 16 Country Studies: Final Report*, and (2) *Technical Evaluation Reference Group Summary Paper: Study Area 2 – Evaluation of the Global Fund Partner Environment, at Global and Country Levels, in Relation to Grant Performance and Health Systems Effects, Including 16 Country Studies*;
- and the two syntheses reports – (1) *The Five-Year Evaluation of the Global Fund to Fight AIDS, Tuberculosis and Malaria – Syntheses of Study Areas 1, 2 and 3*, and (2) *Technical Evaluation Reference Group Summary Paper: Synthesis Report of the Five-Year Evaluation of the Global Fund*.