



Independent observer
of the Global Fund

A Beginner's Guide to the Global Fund – 3rd Edition

Two-Page Summary

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

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

As of mid-August 2012, the Global Fund had disbursed a cumulative total of \$17.1 billion, through 1,050 grants in 150 countries and territories. The Global Fund estimates that by December 2012, Fund-supported programmes had resulted in 4.2 million people receiving antiretroviral HIV treatment, 9.7 million people receiving TB treatment, and 310 million insecticide-treated bed nets being distributed.

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

How is the Global Fund structured? At the global level, there is a Board and a Secretariat, plus advisory bodies such as the Technical Review Panel (TRP), which reviews proposals for technical merit and recommends which ones the Board should fund. The Global Fund does not maintain country offices. Nevertheless, the following structures make up the “Global Fund architecture” in each implementing country:

- Country coordinating mechanisms (CCMs) are responsible for developing and submitting proposals to the Global Fund; for nominating one or more entities to serve as principal recipients (PRs); and for overseeing each PR’s progress in implementing

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programmes funded by the grant. Each CCM is made up of representatives from both the public and private sectors, including the national government, multilateral or bilateral development agencies, NGOs, academic institutions, private businesses and people living with the diseases.

- PRs and sub-recipients (SRs). PRs are responsible for implementing grants emanating from proposals that have been approved by the Global Fund. SRs are responsible for implementing portions of a grant, and report directly to the PR.
- Local fund agents (LFAs) are hired by the Global Fund to evaluate the financial management and administrative capacity of the nominated PR(s), and to verify and report on grant performance.

Finances. The Global Fund raises the bulk of its funds from governments of donor countries, most of which 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. As of December 2012, the Global Fund had received US\$18.8 billion from donors, plus an additional \$11.1 billion in pledges. By that same date, the Fund had committed to spend US\$17.8 billion.

The application process. CCMs and certain other entities can submit applications to the Global Fund. The Fund is in the process of implementing a new funding model to replace the rounds-based system previously in effect.

The grant implementation process. Once a proposal is approved, certain processes are initiated, including the assignment of a fund portfolio manager and an LFA by the Secretariat, an assessment of the PR's capacities, and the negotiation of a grant agreement. Separate grant agreements are signed with each of the PRs nominated in the proposal.

Once the grant agreement is signed, the Global Fund provides the PR with the first instalment of the grant. During implementation of a grant, the PR is required to provide the Global Fund, via the LFA, with regular progress updates and requests for disbursements to cover the next reporting period. Under the Global Fund's performance-based approach, grants are reviewed periodically to assess progress. Whether funding will be provided for the next implementation period, and just how much funding might be provided, depend on the outcome of the reviews.

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

Want to know more?

Consult the full version of *A Beginner's Guide to the Global Fund – 2nd Edition*, or the eight-page summary version, both available at www.aidspace.org/guides.