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Global Fund Introduces New Minimum Standards for Implementers

The Global Fund has developed new minimum standards for implementers. Entities covered by the standards include principal recipients (PRs), large sub-recipients (SRs) and other associated actors, such as public- or private-sector entities involved in the pharmaceutical and health products procurement and supply chain, as well as components of the national health system.

The minimum standards will apply to early applicants under the new funding model (NFM). The Global Fund says that interim applicants “might” also have to go through a minimum standards check.

Most of the minimum standards apply during both the application process and grant implementation; some apply only during grant implementation.

Nominated PRs will be assessed against the minimum standards whether they are being nominated for the first time or are being re-nominated. Some large SRs will also be assessed against the standards. The Global Fund says that the minimum standards “are critical for the assessment of implementers, and the Global Fund Secretariat will strictly enforce them.” The Fund says that use of the standards will help to ensure that grants are successful, partially by filtering out what the Fund calls “impossible” grants.

The Global Fund said that the minimum standards will provide all countries with upfront information on the Global Fund’s expectations for required capacity levels.

There are 12 standards in all. Ten of them apply at all stages, including the assessment of nominated PRs; the other two relate solely to the grant implementation stage. (See the table for a list of the standards.)

Table: New minimum standards for implementers

No.	Title	Standard
Applicable during all stages:		
1	Cross-functional	The PR demonstrates effective management structures and planning.
2	Programme (SR oversight)	The PR has the capacity and systems for effective management and oversight of SRs (and relevant Sub-SRs).
3	Programme (conflict of interest)	There is no conflict-of-interest for the selection of the PR (s) and SRs.
4	Programme (implementation plan)	The program-implementation plan provided in the concept note is sound.
5	Finance	The internal control system of the PR is effective to prevent and detect misuse or fraud.
6		The financial-management system of the PR is effective and accurate.
7	PSM	The central warehouse and the warehouses for key regions have capacity, appropriate conditions and security to store health products, and to maintain their quality.
8		The distribution process can handle the requisition of supplies to avoid treatment and programme disruptions.
9	M&E	Data-collection capacity and tools are in place to monitor programme performance.
10		A functional routine reporting system with reasonable coverage is in place to report programme performance timely and accurately.
Applicable during grant management:		
11	Programme (CCM)	The CCM actively oversees the implementation of the grant, and intervenes where appropriate.
12	PSM	A quality-assurance plan is in place to monitor product quality throughout the in-country supply chain.

Some of the standards (1, 2, 5 and 6) apply directly to the PR. Others apply to whichever implementing entity or entities are responsible for the procurement and supply management function (7, 8 and 12) and the M&E function (9 and 10).

Standard 3 (Programme: conflict of interest) applies to both the CCM and the PR. Standard 11 (Programme: CCM) applies to the CCM.

The Global Fund says that its assessment of applicants against the minimum standards will help identify specific areas in which applicants need capacity support right away. “Accordingly,” the Global Fund says, “the Fund will provide financing for training and technical assistance as part of the approved budget for awards under the transition phase.”

In cases in which recipients do not fully meet the minimum standards, but the risks are considered manageable and there is inadequate support from governments or technical partners, the Secretariat may approve the use of some grant funds to help strengthen the systems of implementers. However, the Fund says that it “does not have a mandate to strengthen implementers more generally, unless there is a clear linkage to the objectives and success of the proposed Global Fund grant.”

The Global Fund says that during grant negotiations, the Secretariat will do an in-depth assessment to check if key implementers comply with the minimum standards. Non-compliance will trigger certain actions; the actions may vary depending on the type of entity and the circumstances. The NFM materials

list three possible actions, as follows:

- setting up safeguards with a clear action plan;
- making the case to senior management in the Secretariat that the grant should go forward despite the non-compliance; and
- rejecting the implementer.

Further details on the minimum standards are contained in Appendix 4 of the Transition Manual.

NFM-related materials produced by the Global Fund are available on the Fund's website [here](#).

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