



Independent observer  
of the Global Fund

## FROM "A BEGINNER'S GUIDE TO THE GLOBAL FUND"

The following are three excerpts from “A Beginner’s Guide to the Global Fund” (full version), whose publication was announced in this issue of GFO (see previous article).

### Excerpt #1: 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. 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.”

### Excerpt #2: 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 \$4.0 billion and perhaps as much as \$9.9 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](#).

### Excerpt #3: 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. 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.

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