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## GLOBAL FUND RELEASES MORE INFORMATION ON THE RENEWALS PROCESS

The Global Fund Secretariat has provided GFO with some additional information on changes to the grants renewal process as a result of decisions made at the November 2011 Board meeting. The Secretariat plans to release an Operational Policy Note (OPN) containing the new information.

The changes to the renewals process were described in a [GFO article](#) in December 2011. This article provides information that was not included in our December article.

The key steps in the renewal process are described in the table below.

Table: Key steps in the renewals process for grants seeking approval for Phase 2

| Timeline     | Step                                  |
|--------------|---------------------------------------|
| Mid-Month 18 | Country Team pre-assessment completed |
| End Month 18 | CCM invitation and briefing           |
| Mid-Month 22 | CCM submits renewal request           |
| Mid-Month 23 | LFA reviews renewal request           |
| Month 23     | Recommendation from Renewals Panel    |
| Month 24     | Board Decision                        |
| Month 27     | Grant Signing                         |

Note: The steps for rolling continuation channel (RCC) grant renewals and single-stream-of funding (SSF) grant renewals are identical, but the timelines are a little different. For RCC renewals, the process starts in mid-Month 24. For SSF renewals, the process starts in mid-Month 23.

The Country Team pre-assessment was originally introduced for periodic reviews of SSF grants, but is now required for all renewals. The most important part of the pre-assessment is a review of the status of the programme being implemented and the identification of key issues that the CCM (or any applicant) needs to address in its request. This includes an assessment of past performance and of key risks for the next implementation period. It also includes identifying where funds may need to be re-allocated to address poor performance, if applicable, and any risks that have been identified. In addition, the Country Team will provide guidance on reprogramming (e.g., shifting the activities of the programme to better respond to changes in the epidemic or incorporate new ways to combat the diseases). The pre-assessment should start at least one month before the invitation letter is sent to the CCM, but can begin up to three months ahead.

The Technical Review Panel (TRP) will be involved in the pre-assessments for all requests from high-impact countries; requests for grants whose Phase 2 budgets (as recommended by the TRP when the original proposal was submitted) was more than \$100 million; requests for grants from upper-middle-income countries whose Phase 2 budgets (as recommended by the TRP when the original proposal was submitted) was more than \$30 million; and requests where material reprogramming is anticipated or where TRP input is recommended by the Country Team.

When the invitation letter is sent to the CCM, the Country Team will brief the CCM on the recommendations of the pre-assessment, either via teleconference or in-country. The briefing will be, in effect, the beginning of the iterative process. It will provide the CCM an opportunity to begin to respond to the recommendations. The briefing with the CCM may include the principal recipients (PRs) and technical and bilateral partners. Alternatively, these entities may be briefed separately. The iterative process will continue with ongoing support from the Country Team, as well as technical and bilateral partners, in the development of the renewal request.

### The 55% rule

When the Global Fund Board adopted the new process for grant renewals in November 2011, it also adopted some new policies, one of which was the “55% rule.” Under this policy, 55% of all renewal funding in a calendar year has to be allocated to low-income countries. Some concerns have been raised by civil society organisations concerning the application of this policy. They fear that some lower-middle-income countries may be too adversely affected. Further discussions will occur between the Secretariat and the Strategy, Impact and Investment Committee (SIIC) concerning the 55% rule.

As an interim measure, the Secretariat has agreed with the Board to limit Phase 2 funding to a ceiling of 90% of the originally approved budget for low-income countries and lower lower-middle-income countries, and 75% for all other countries. The renewal funding approved for each country is expected to be reduced further by the application of performance-based funding principles which, historically, has decreased Phase 2 renewal funding by 25% on average.

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