



Independent observer  
of the Global Fund

## Global Fund Moves to a System of Annual Disbursement Decisions and Semi-Annual Reporting for Grants

From now on, annual disbursement decisions and semi-annual reporting will be adopted for all Global Fund grants. The only exception will be for grants whose risk profile requires shorter disbursement decisions or more frequent reporting.

These are part of the changes introduced in February 2013 as part of the Global Fund's Better Grants for Improved Impact Project.

In addition, the processes for disbursement decisions and staggered commitments of funding are being combined. The timing and amount of commitments will be determined and approved simultaneously with the annual disbursement decisions.

For small grants – i.e. those with an average annual budget of \$3 million or less – the approved annual disbursement amount may be transferred to the grant account all at once. For large grants – i.e., those with an average annual budget more than \$3 million – funds will be transferred on a phased basis. The Global Fund refers to this as a “phased cash transfer.” The Fund said that the phased cash transfers will normally be done on a quarterly or semi-annual basis.

The Global Fund said that the use of annual disbursement decisions will increase the predictability of funding and reduce the administrative burden for countries and for the Secretariat. According to the Fund, linking annual disbursement decisions with commitment decisions will greatly simplify internal processes and help ensure that only the actual funding needed is committed to the grant over its lifetime.

The Global Fund said that it is shifting from milestone-driven monitoring – i.e. review of progress during

disbursements or renewals – to ongoing and continuous risk-based monitoring throughout the grant lifecycle. The Fund believes that closer and continuous monitoring through regular communication and interaction with implementers and in-country partners should minimise the review and verification required for annual disbursement decisions and cash transfers.

The above changes are described in an information note titled “Guidance for PRs on Transition to Annual Disbursement and Commitment Decisions,” which is dated 13 February 2013 and which has been sent to many principal recipients. The information note is not available on the Global Fund’s website.

The Global Fund’s Transition Manual for the new funding model, released on 28 February, included a reference to the change to annual disbursement decisions. Further information on this change was contained in [Issue 16](#) of the Fund’s News Flash, released on 21 March.

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