



Independent observer
of the Global Fund

The Global Fund's "Slow-Moving" and "Well-Performing" Grants

In an analysis by GFO of all 212 Global Fund grants for which a grant agreement has been signed, 25 grants were identified as “slow-moving” and 22 were identified as “well-performing”.

Sixty percent of all grant agreements have a Principal Recipient (PR) from the governmental sector, and 40% have a PR from civil society, the private sector, or a multilateral agency. But GFO found that every one of the 25 “slow-moving” grants is one of those that has a governmental PR. This confirms the views of many that although at times there is no choice but to use a governmental PR, when there is an option, it is often better to use some other kind of PR.

GFO’s criteria for a grant being “slow-moving” are that the first disbursement had not been sent by six months after the grant agreement was signed; or that the second disbursement had not been sent by one year after the first disbursement; and/or that less than 20% of the two-year grant amount had been disbursed by the Global Fund by one year after the grant agreement was signed.

These provide only very rough and preliminary measures of grant performance. The measure that really matters (for which almost no data is yet publicly available) is the extent to which the people who are supposed to receive treatment and other services are actually receiving them.

Among GFO’s other findings are that grant agreements for eleven Round 1 and 2 grants have still not been signed, well over a year and a half since Round 2 grants were approved; and that eighteen Round 3 grants are in danger of being canceled before they even start, because a year has passed without a grant agreement being signed.

GFO’s detailed findings are as follows.

Severely delayed Round 1 and 2 grant agreements

Eleven of the 153 Round 1 and 2 grants have not even reached the point of having grant agreements signed, despite the fact that the Round 2 grants were approved one-and-three-quarters years ago and Round 1 grants were approved two-and-a-half years ago.

The grants in question, with a five-year value of \$294 m., are as follows:

- Afghanistan: Round 2 – Integrated (\$3 m.)
- Iran: Round 2 – HIV/AIDS (\$16 m.)
- Korea, DPR: Round 1 – TB (\$5 m.)
- Malawi: Round 2 – Malaria (\$40 m.)
- Namibia: Round 2 – HIV/AIDS (\$105 m.)
- Namibia: Round 2 – Malaria (\$6 m.)
- Namibia: Round 2 – TB (\$2 m.)
- Nigeria: Round 2 – Malaria (\$44 m.)
- South Africa: Round 2 – HIV/TB (\$25 m.)
- Sudan: Round 2 – Malaria (\$33 m.)
- Zimbabwe: Round 1 – HIV/AIDS (\$14 m.)

Round 3 grants at risk of being canceled before starting

Eighteen of the 72 Round 3 grants are in danger of being canceled before they even start.

At its June 2004 meeting, the Global Fund board agreed that for Round 3 grants and later, if a proposal is approved by the board but a grant agreement is not signed within a year, the approval of the proposal will normally be revoked.

The median time from Board approval to signing of a Round 3 grant is 6 months. Round 3 grants were approved on 15 October 2003, exactly a year ago. Thus, according to the June board decision, unsigned Round 3 grants should as of now “no longer be considered approved” unless the Board decides to allow a further exceptional time extension based on information received from the Secretariat and CCMs. This time extension will be limited to a maximum of 3 months.

The 18 Round 3 grants that were unsigned as of October 12, with a five-year value of \$302 m., are as follows:

- Angola: Malaria (\$38 m.)
- Comores: HIV/AIDS (\$1 m.)
- East Timor: TB (\$2 m.)
- Guatemala: HIV/AIDS (\$41 m.)
- India: HIV/TB (\$15 m.)
- Iran: HIV/AIDS (\$10 m.)
- Korea, DPR: Malaria (\$9 m.)
- Multi-country Americas (Andean): Malaria (\$26 m.)
- Multi-country Americas (OECS): HIV/AIDS (\$10 m.)
- Myanmar: HIV/AIDS (\$54 m.)
- Myanmar: Malaria (\$27 m.)
- Pakistan: Malaria (\$2 m.)
- Pakistan: TB (\$13 m.)
- Russian Federation: TB (\$11 m.)
- Sudan: HIV/AIDS (\$21 m.)

- Suriname: HIV/AIDS (\$5 m.)
- Swaziland: TB (\$3 m.)
- Yemen: HIV/AIDS (\$15 m.)

“Slow-moving” grants

Twenty-five of the 212 grants for which a grant agreement has been signed can be defined as “slow-moving”, based on criteria developed by GFO. The criteria are as follows:

1. The grant agreement was signed more than six months ago, but the Global Fund has not yet sent the first disbursement. (This suggests that the PR is having problems meeting some conditions that have been set by the Fund.)
2. Or: The first disbursement was sent by the Global Fund more than a year ago, but no further disbursement has been sent since then. (Normally, disbursements are to be sent every three months. The delay suggests that the PR is having problems implementing what it had said it would during the first few months.)
3. And/or: The grant agreement was signed more than a year ago, but less than 20% of the two-year grant amount has been disbursed by the Global Fund thus far. (This again suggests that the PR is having a problem with grant implementation.)

Note that there will be many cases in which a grant is slow-moving in ways that are not captured using these criteria. Also, sometimes a grant is slow-moving for reasons beyond the control of all players. Finally, speed of spending money is not the only factor to consider. Sometimes things have to be done – like getting agreements in place – that do not cost money but that still take considerably longer than was anticipated.

The 25 “slow-moving” grants, with a five-year value of \$845 m., are as follows:

- Croatia: Round 2 – HIV/AIDS – PR: Ministry of Health and Social Welfare (Reason B)
- Ethiopia: Round 1 – TB – PR: Federal Ministry of Health (Reason B)
- Ethiopia: Round 2 – Malaria – PR: Federal Ministry of Health (Reason B)
- Georgia: Round 2 – HIV/AIDS – PR: Health and Social Projects Impl’n Center (Gov’t) (Reason B)
- Kenya: Round 2 – HIV/AIDS – PR: Ministry of Finance (Reason C)
- Kenya: Round 2 – Malaria – PR: Ministry of Finance (Reasons B & C)
- Kenya: Round 2 – TB – PR: Ministry of Finance (Reasons B & C)
- Lesotho: Round 2 – HIV/AIDS – PR: Ministry of Finance and Dev’t Planning (Reason C)
- Lesotho: Round 2 – TB – PR: Ministry of Finance and Dev’t Planning (Reason C)
- Mozambique: Round 2 – HIV/AIDS – PR: National AIDS Council (Gov’t) (Reason A)
- Mozambique: Round 2 – Malaria – PR: Ministry of Health (Reason A)
- Mozambique: Round 2 – TB – PR: Ministry of Health (Reason A)
- Nepal: Round 2 – HIV/AIDS – PR: Ministry of Health (Reason C)
- Nepal: Round 2 – Malaria – PR: Ministry of Health (Reason C)
- Nigeria: Round 1 – HIV/AIDS – PR: National Action Committee on AIDS (Gov’t) (Reason C)
- Nigeria: Round 1 – HIV/AIDS – PR: National Action Committee on AIDS (Gov’t) (Reason C)
- Pakistan: Round 2 – HIV/AIDS – PR: Ministry of Health (Reason C)
- Pakistan: Round 2 – Malaria – PR: Ministry of Health (Reason C)
- Swaziland: Round 2 – HIV/AIDS – PR: Nat. Emrg. Resp. Cn’cil on HIV (Gov’t) (Reasons B & C)
- Swaziland: Round 2 – Malaria – PR: Nat. Emrg. Resp. Cn’cil on HIV (Gov’t) (Reason B)
- Thailand: Round 2 – HIV/AIDS – PR: Ministry of Public Health (Reasons B & C)
- Vietnam: Round 1 – TB – PR: Ministry of Health (Reason C)
- Yemen: Round 2 – Malaria – PR: Ministry of Public Health and Population (Reason C)
- Zambia: Round 1 – HIV/AIDS – PR: Ministry of Finance and National Planning (Reason A)

- Zimbabwe: Round 1 – Malaria – PR: Ministry of Health and Child Welfare (Reason B)

“Well-performing” grants

Twenty-two of the 212 grants for which a grant agreement has been signed can be defined as “well-performing”, based on the criterion that during the first year (or less) since the grant agreement was signed, more than half of the two-year grant amount was disbursed by the Global Fund.

Note that there will be many cases in which a grant is well-performing in ways that are not captured using this criterion.

The 22 “well-performing” grants, with a five-year value of \$483 m., are as follows:

- Benin: Round 2 – TB – PR: UNDP
- Congo (Democratic Republic): Round 2 – TB – PR: UNDP
- Cote d’Ivoire: Round 3 – HIV/AIDS – PR: CARE Cote d’Ivoire (NGO)
- Estonia: Round 2 – HIV/AIDS – PR: Ministry of Social Affairs
- Ethiopia: Round 1 – TB – PR: Federal Ministry of Health
- Georgia: Round 3 – Malaria – PR: Health and Social Projects Impl’n Center (Gov’t)
- Ghana: Round 2 – Malaria – PR: Ministry of Health
- Indonesia: Round 1 – Malaria – PR: Ministry of Health
- Jordan: Round 2 – HIV/AIDS – PR: Ministry of Health
- Kenya: Round 1 – HIV/AIDS – PR: Sanaa Art Promotions (NGO)
- Lao PDR: Round 2 – TB – PR: Ministry of Health
- Multi-country W. Pacific: Round 2 – Malaria – PR: Sec’t of the Pacific Community (Gov’t)
- Multi-country W. Pacific: Round 2 – TB – PR: Sec’t of the Pacific Community (Gov’t)
- Nicaragua: Round 2 – Malaria – PR: Federación NICASALUD (NGO)
- Rwanda: Round 3 – Malaria – PR: Ministry of Health
- Somalia: Round 2 – Malaria – PR: UNICEF
- South Africa: Round 1 – HIV/TB – PR: National Treasury (Ministry of Finance)
- Togo: Round 2 – HIV/AIDS – PR: UNDP
- Ukraine: Round 1 – HIV/AIDS – PR: International HIV/AIDS Alliance (NGO)
- Ukraine: Round 1 – HIV/AIDS – PR: International HIV/AIDS Alliance (NGO)
- Zambia: Round 1 – Malaria – PR: Central Board of Health (Ministry of Health)
- Zambia: Round 1 – Malaria – PR: Churches Health Association of Zambia (FBO)

Comparative analysis

GF grants to PRs that are part of government are significantly more often “slow-moving” (25 out of 127, or 20%) than GF grants to civil society and private sector PRs (0 out of 47) or grants where UNDP or UNICEF is PR (0 out of 38).

Sector of PR	Grant agreements	“Slow-moving”	“Well-performing”
Government	127	25 (20%)	12 (9%)
Civil society and private sector	47	0 (0%)	6 (13%)
UNDP and UNICEF	38	0 (0%)	4 (11%)
Total:	212	25 (12%)	22 (10%)

GF grants to countries in Sub-Saharan Africa and South Asia are significantly more often “slow-moving”

(20 out of 109, or 18%) than GF grants to other parts of the world (5 out of 103, or 5%).

Region	Grant agreements	“Slow-moving”	“Well-performing”
E. Asia & Pacific	33	2 (6%)	4 (12%)
E. Europe & Central Asia	23	2 (9%)	4 (17%)
Latin America & Caribbean	32	0 (0%)	1 (3%)
N. Africa & Middle East	15	1 (7%)	2 (13%)
S. Asia	15	4 (27%)	0 (0%)
Sub-Saharan Africa	94	16 (17%)	11 (12%)
Total:	212	25 (12%)	22 (10%)

GF grants to the fifteen countries that also receive PEPFAR grants are significantly more often “slow-moving” (12 out of 50, or 24%) than GF grants to non-PEPFAR countries (13 out of 162, or 8%).

(Note 1: “PEPFAR countries” are Botswana, Cote d’Ivoire, Ethiopia, Guyana, Haiti, Kenya, Mozambique, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda, Vietnam and Zambia.)

(Note 2: The point about the PEPFAR analysis is that the more choices a country has for obtaining funding for AIDS programs, the less reason it has to focus all its energy on making a particular one work.)

“PEPFAR countries” or not	Grant agreements	“Slow-moving”	“Well-performing”
PEPFAR countries	50	12 (24%)	7 (14%)
Non-PEPFAR countries	162	13 (8%)	15 (9%)
Total:	212	25 (12%)	22 (10%)

Combining all the above highlights: 12% of all GF grants agreements are “slow-moving.” But 32% of all GF grants that are made to government PRs in “PEPFAR countries” in Sub-Saharan Africa are “slow-moving.”

Discussion

The best test of whether a grant is well-performing is: Are the people who are supposed to receive services actually receiving those services? Such data is, however, only just starting to become available.

The second best test is: Is the PR spending the money it has received in the ways, and with the timing, that was previously agreed? Some such data is available, but only retrospectively. When the PR requests the second disbursement, it must document what it did with the first disbursement. But in those cases where the first disbursement has been sent by the Fund – possibly a year or more ago – and no request has yet been received by the Fund for the second disbursement, it is very hard for outsiders to know what has been going on since the first disbursement was sent.

So in this analysis, we are dependent upon noting when the Fund sends out each disbursement, and how much it is for. The normal procedure followed by the Fund is that soon after the grant agreement is signed, the Fund sends the PR a first disbursement covering two quarters (six months). During the second quarter, the PR informs the Fund what happened during the first quarter, and requests a second

disbursement covering the third quarter. If the Fund is satisfied with that performance, it will send the second disbursement towards the end of the second quarter.

GFO will from time to time repeat this analysis of “slow-moving” and “well-performing” grants. In addition, Aidspace (publisher of GFO) hopes over the coming months to develop a web-accessible database showing, for each grant and country, (a) how many people are/were supposed to receive treatment and other services (quarter by quarter) as a result of Global Fund grants; (b) how many people have actually received those services; (b) how many have people have died of AIDS/TB/malaria during each quarter (based on projections by others).

(Note: The GFO analysis above was conducted using data posted to the Global Fund web site on 12 October 2004. The source data is accessible under “Funds Committed and Disbursed” on the left hand side of www.TheGlobalFund.org. For country-specific grant progress reports, click on “Choose a country” at the same web location, then look under “Disbursement requests,” when available. GFO’s analysis did not include the three Ukraine grant agreements that have already been canceled by the Fund.)

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