



Independent observer
of the Global Fund

Global Fund Signs its Largest Ever Grant Agreement

Last month the Global Fund signed its largest ever grant agreement. The grant is a Round 4 HIV/AIDS grant to Tanzania that will provide \$103 million over the first two years. The main Principal Recipient (PR) for this grants is also the PR for a deeply troubled Round 1 grant, but the Fund says that this is acceptable because different Sub-Recipients will be used.

At the request of the Tanzanian CCM, the Round 4 grant involves four PRs. The Ministry of Finance will serve as the PR for \$79 million in expenditure that will mostly be passed on to governmental Sub-Recipients. The other three PRs will all be NGOs – the African Medical and Research Foundation (AMREF), who will receive \$13 million over two years to work on HIV/AIDS care and treatment; Pact Tanzania (\$8 million, working with orphans and vulnerable children); and Population Services International (\$2 million, dealing mostly with condom procurement).

Tanzania's much smaller \$5 million Round 1 HIV grant, for which the Ministry of Finance is also the PR, is 18 months behind schedule (see www.aidspan.org/grants/tanzania.htm), having received only one disbursement, in October 2003. No signed Global Fund grant is further behind schedule.

According to the Global Fund Secretariat, the Tanzania CCM, recognizing how far behind schedule its Round 1 HIV grant is, decided that for its Round 3 HIV/TB grant it would use Sub-Recipients who could play a very active role, equivalent to the role normally played by a PR. Then for its Round 4 HIV grant the CCM decided to go one step further and have multiple PRs.

Asked for comment about why the Global Fund has given its biggest grant ever to a PR that has oversight over the Fund's most delayed grant, the Fund explained that the Ministry of Finance has always been "fast, responsive and diligent", but the troubled Round 1 grant was primarily handled by a sub-recipient (the Regional Administration and Local Government unit of the Prime Minister's Office) that will not be

involved in the new grant. The key sub-recipients for the new grant will be the Ministry of Health and the Tanzania Commission for AIDS.

Last month, the Global Fund also signed a Round 4 malaria grant agreement, again with Tanzania's Ministry of Finance. This was for \$54 million, which is the fifth largest grant agreement the Fund has ever signed. There are no other PRs for this grant.

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