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of the Global Fund

Secretariat Adopts Value-for-Money Approach to Signing Round 10 Grant Agreements

Concerns raised about how the value-for-money concept is being implemented

The Global Fund Secretariat had adopted a value-for-money approach for the signing of Round 10 grants. This action is in line with a request made by the Board at its meeting in December 2010 that the Secretariat provide confirmation, as far as can be determined based on data available to the Secretariat, that the budget of newly signed grants is in accord with “value for money considerations including unit costs.”

The Secretariat’ approach is based on the approach used by the Technical Review Panel (TRP) when it assessed value for money in the Round 10 proposals (as part of its overall assessment of the proposals). In fact, the Secretariat’s approach is designed to ensure that each grant accurately reflects the value-for-money aspects of the original proposal.

Thus, the Secretariat’s approach looks at four levels:

1. Overall strategy: Has the proposal strategy been accurately translated into a grant which can achieve its goals?
2. Effectiveness: Does the grant agreement ensure that interventions will be implemented in an effective way (as described in the proposal)?
3. Efficiency: Is the grant achieving outputs at an appropriate cost?

4. Additionality: Is the grant additional to existing activities and financial resources?

When this approach was presented to the Board's Portfolio and Implementation Committee (PIC) in March 2011, the Committee endorsed it, but also raised concerns about possible duplication with the TRP and about how much the approach was costing. In the PIC report for the Board meeting in May 2011, the PIC quoted the Secretariat as acknowledging that implementing this approach will result in increased staffing costs, and will also have implications for grant signing timelines. Hence, the PIC requested, perhaps a little tongue in cheek, that the value for money approach be implemented with an eye for value for money!

A Global Fund source told GFO that the initial experience with Round 10 grant signings shows that the Secretariat's value for money approach is not delaying the signings. However, the source said, more experience is required to determine if this trend will continue.

How the concept of value for money is being applied in practice is still evolving. Recently, the TRP raised a number of concerns about how value for money was handled in the Round 10 proposal form and guidelines. The TRP complained that the questions related to value for money introduced in the Round 10 proposal form "were not useful for its review purposes.... Countries did not fully comprehend what was required of them and could not provide clearly articulated answers to these sections." See GFO article [here](#).

Information for this article was taken from the Report of the Portfolio and Implementation Committee," available at www.theglobalfund.org/en/board/meetings/twentythird (see Document GF/B23/5); and from the Board decisions document (GF/B22-DPs) at www.theglobalfund.org/en/board/meetings/twentysecond.

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