SECRETARIAT ISSUES FAQS ON IMPLEMENTING RECENT BOARD DECISIONS

The Global Fund recently released a wide-ranging Frequently Asked Questions (FAQ) document on how to implement decisions made by the Global Fund Board in November 2009 concerning cost-cutting measures and the new grant architecture. The document is entitled "Grant Signing Frequently Asked Questions," though in fact it covers many issues beyond those related to grant signing. It is of potential interest to CCM, PRs, LFAs and Global Fund partner organisations.

With respect to cost-cutting, the FAQ document describes what measures were adopted and why they were necessary. With respect to the grant architecture, the FAQ document describes the changes made to the architecture, what the benefits of the new architecture are, and what the options are for consolidating grants into a single stream of funding.

The FAQ document also provides information on Independent Budget Reviews (IBRs). The TRP requested IBRs for some Round 9 proposals – i.e., wherever it had significant concerns in one or more areas of the budget. In addition, the FAQ document provides information on the clarifications and grant signing processes for approved national strategy applications (NSAs) and Affordable Medicines Facility for malaria (AMFm) proposals.

Finally, the FAQ document provides information on grants not yet signed and "efficiency gains" (Global Fund terminology for cost cutting). Highlights from these parts of the FAQ document are presented below.

Grants not yet signed

With respect to Round 8, as of 22 December 2009, 38 grants remained to be signed, out of a total of 147.

Grants must be signed within 12 months of when the Board approved the proposal. (Actual approval dates varied, according to when the needed funds became available.) The Global Fund says that

Donors are very concerned with the late signing of grants for approved proposals. Late signing leads to funds being held in the Trustee's account for extended periods. It also leads to questioning of the quality of proposals and the capacity of countries and PRs to absorb and implement more grants. This may affect donor contributions to the Global Fund in the future and the ability of the Global Fund to launch further calls for proposals.

Consequently, the Global Fund is encouraging PRs and CCMs to commit to signing grants no later than eight months after Board approval. The Global Fund Secretariat will consult with CCMs, PRs, LFAs and partner organisations to discuss and plan a signing timeline for each grant. If a CCM and PR decide to consolidate into a single stream of funding through a Round 9 grant, an additional six months is provided for grant signing (i.e., 18 months instead of 12), but the Fund is encouraging the parties to sign within 14 months.

Efficiency gains

The Global Fund Secretariat has sent a letter to all CCMs and PRs to explain the need for "efficiency gains" for Round 9 grants, and the process for achieving them.

The Secretariat has asked all CCMs and nominated PRs to review their proposal budgets and identify efficiency gains of at least 10%, ideally with no target reductions. This requirement applies to all budgets of all Round 9 grants. Any budget reductions resulting from TRP clarifications will count towards the efficiency gains.

PRs have been asked to submit their proposed revised budgets to the Global Fund Secretariat "as soon as possible," and to submit documentation demonstrating that the CCM has endorsed the changes. In addition, PRs are required to submit an explanation of the method they have followed to identify savings, and the impact these savings have on the programmes. The Secretariat has provided PRs with a template for this purpose. The template is included in an annex to the FAQ document.

The revised budgets will be used as the starting point for grant agreement negotiations with the Secretariat, and may be reduced further during the negotiations.

"Grant Signing Frequently Asked Questions," is available in English only and can be downloaded from www.theglobalfund.org/en/applicantsimplementers.

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