

# Operational Policy Note

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## Design and Review Funding Requests

**Issued on:** 12 January 2023; Updated on: 15 November 2024  
**Approved by:** Executive Grant Management Committee  
**Process Owner:** Access to Funding Department  
**Sub-Process Owner:** See Annex 1  
**Associated Procedures:** Operational Procedures on Design and Review Funding Requests

### Process metrics for the OPN on design and review funding requests:

Agility: 80% of TRP forms cleared & accepted by Country Teams within 10 working days of final TRP plenary

Applicant satisfaction: 90% of applicants satisfied with the process

Funding Request quality: 90% of Funding Requests recommended for grant-making by the TRP

Clearance of TRP issues<sup>1</sup>: 80% of TRP issues cleared by the due date

## Overall Objective

1. The objective of this Operational Policy Note (OPN) is to ensure funding requests are well designed and effectively reviewed, to support the Global Fund in achieving maximum impact, in line with the Global Fund's 2023-2028 Strategy (Fighting Pandemics and Building a Healthier and More Equitable World). The funding request design and review process is guided by the [Global Fund Framework Document](#), the [Global Fund Strategy](#), the [Sustainability, Transition and Co-Financing Policy](#), and the Technical Review Panel (TRP)'s<sup>2</sup> [Terms of Reference](#).

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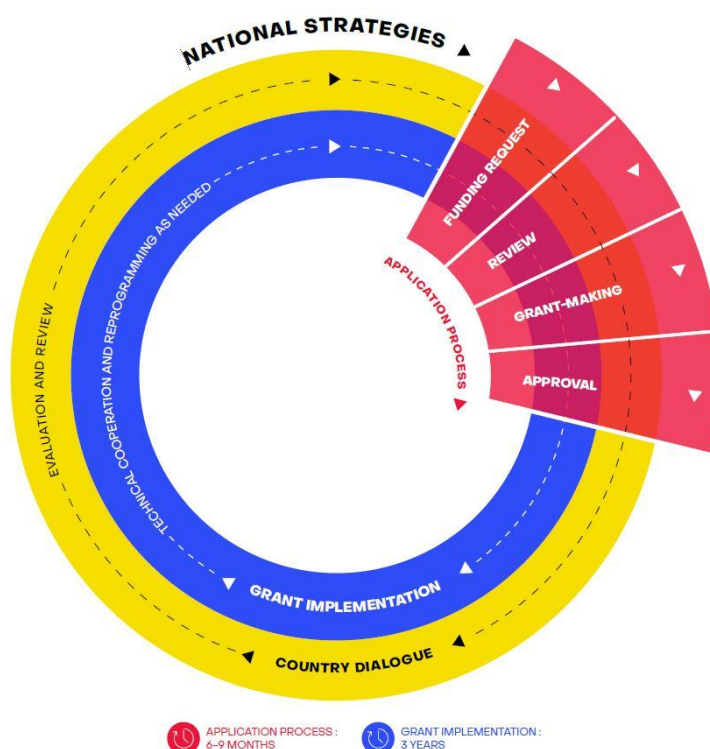
<sup>1</sup> This includes TRP issues to be cleared by the Secretariat and the TRP.

<sup>2</sup> Unless defined in this Operational Policy Note or the context otherwise requires, all capitalized terms used in this Operational Policy Note shall have the same meaning set out in the Grant Regulations (2014).

## Operational Policy

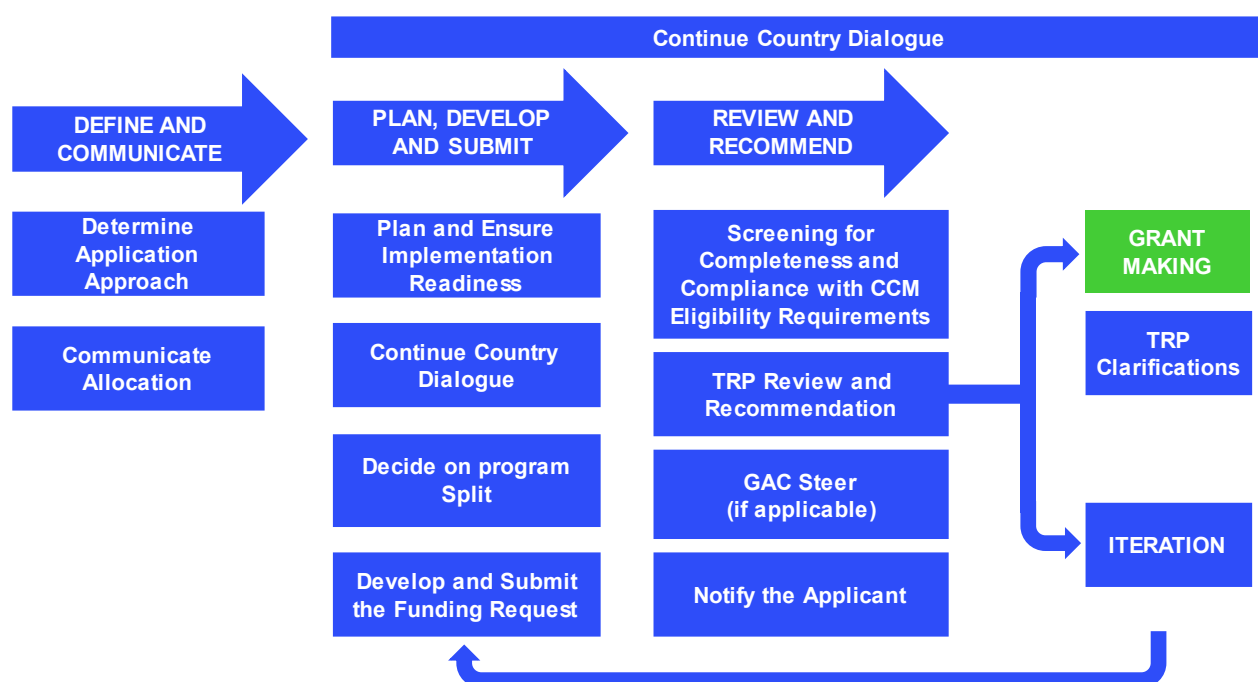
2. As illustrated in figure 1 below, the Global Fund supports continuous dialogue and implementation of impactful programs throughout the grant lifecycle. This OPN focuses on the funding request design and review stages and defines the end-to-end process and associated requirements for accessing country allocations<sup>3</sup> for the 2023-2025 allocation period onwards. Figure 2 below shows the key steps of this process, which will be described in more detail in the following sections. For guidance on accessing other sources of funding, please refer to Annex 3.

**Figure 1. The funding request design and review process in the context of the grant lifecycle.**



<sup>3</sup> This includes multicountry applicants that will access funding through combined country allocations. It does not include, however, multicountry applicants that will access funding through catalytic funding.

**Figure 2. Key steps of the funding request process.**



## I. Define and Communicate

### Determine Application Approach

3. **Differentiated Application and Review Approaches.** To accommodate the diverse portfolio needs and support the continuation of disease programs from one allocation period to the next, there are different types of funding request and review approaches. Based on the characteristics of each portfolio, the Grant Approvals Committee (GAC) determines the most suitable type of funding request and corresponding review approach for each country component.<sup>4</sup> This will be communicated to the applicant in the allocation letter. The types of application and review approaches are the following:

- i. **Program Continuation.** The program continuation approach focuses on continuing well-performing programs that do not need major changes to the program design or the implementation arrangements. Identified country components (based on criteria to be determined by the GAC) can access the allocation through a streamlined process, which significantly reduces the level of effort required by the applicant, the Global Fund Secretariat and the TRP during the funding request and review stages. This approach is available only to countries categorized as High-Impact or Core.<sup>5</sup>
- ii. **Tailored for National Strategic Plans (NSP).** Country components may be invited by the Global Fund to use the country's **National Health and/or Disease-Specific Strategic Plan(s)** to complete the funding request. The invitation to use this approach is based on defined criteria that include, but are not restricted to, risk

<sup>4</sup> This refers to the eligible disease components, and RSSH where applicable.

<sup>5</sup> As of December 2022.

levels, the applicant's willingness and preparedness to use their NSP as the main source of information for their application, grant and national program performance, support from multi-lateral and bilateral partners, etc. This approach is intended to significantly reduce the amount of information to be included in the funding request by referring to specific sections of the NSP and/or other relevant national documents.

iii. **Full Review.** This type of application is aimed at a comprehensive overall review of a country's investment approach and strategic priorities and applies to High-Impact and Core country components<sup>6</sup> that are not invited to submit a program continuation or tailored for NSP application.

iv. **Tailored for Transition:** This application is required for country components that: a) are receiving **transition funding**;<sup>7</sup> or b) are projected to move to high-income status<sup>8</sup>; or c) previously received transition funding and have become re-eligible and received an allocation; or d) are using a transition workplan as the basis of their funding request; or e) are requested by the Global Fund to submit a Tailored for Transition funding request because of contextual considerations.<sup>9</sup>

v. **Tailored for Focused Portfolios.** Country components categorized as **Focused** that are not invited to use the Tailored for NSP or Tailored for Transition approaches, will use the Tailored for Focused Portfolios application approach. Given the characteristics of these portfolios (i.e., significantly smaller allocation compared to Core and High-Impact countries and, often, to the country national health budgets), this approach is aimed at streamlining the information requested, by focusing investments on a few areas to achieve the highest impact and minimize transaction costs. A subset of Focused countries invited by the Global Fund, may submit innovative application requests, in consultation with the Global Fund Secretariat and the TRP, to explore further reduction in transaction costs and greater alignment with country processes.

4. The applicant may propose to change the application and review approach communicated in the allocation letter, based on the outcome of in-country discussions. If the applicant wants to change the application approach, this needs to be discussed and agreed with the Global Fund Secretariat<sup>10</sup> before submitting the Funding Request. Figure 3 below provides a graphic view of the rules for changing the application and review approach. All requirements set out in paragraph 3 above continue to apply.

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<sup>6</sup> As of December 2022.

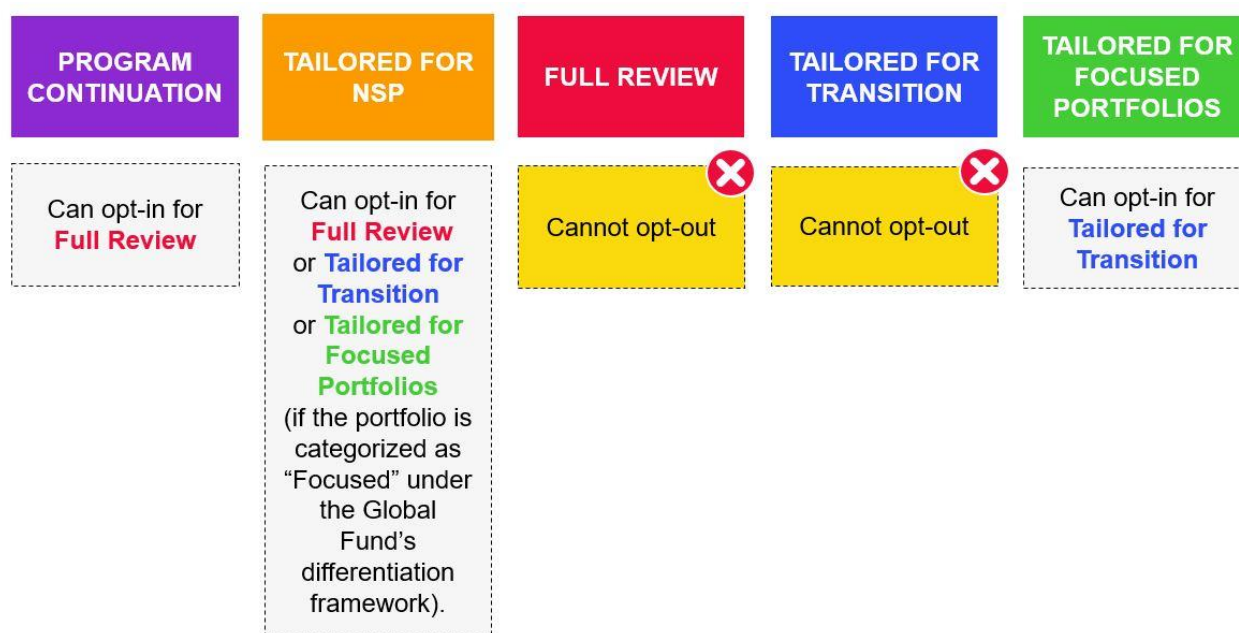
<sup>7</sup> Countries or components funded under an existing grant that no longer meet eligibility criteria may receive funding for up to one additional allocation period following their change in eligibility status (Transition Funding), as detailed in the Eligibility Policy.

<sup>8</sup> Please refer to [Projected Transitions from Global Fund Support by 2028](#).

<sup>9</sup> Instances where the Global Fund may make such decision are for countries where the Global Fund determines that the country should account better for transition preparedness in their funding applications and other circumstances. See the [Sustainability, Transition and Co-Financing Policy](#), GF/B35/04, and the [Guidance on Transition, Sustainability and Co-Financing of Programs Supported by the Global Fund \(STC Guidance\)](#).

<sup>10</sup> If the change is within the parameters authorized in Figure 3, then the change can be agreed between the applicant and the Country Team, with a notification to the Access to Funding Department. Opt-ins and Opt-outs outside the parameters authorized in Figure 3 must be escalated to GAC for approval.

**Figure 3. Possible opt-ins and opt-outs displayed in this figure can be agreed between the applicant and the Country Team, with a notification to Access to Funding.**



## Communicate Allocation

- The [Global Fund Eligibility Policy](#) sets forth eligibility criteria to determine which country components may qualify to receive an allocation from the Global Fund.<sup>11</sup>
- Country Allocation.** This is the initial upper ceiling of funding made available by the Global Fund for each eligible country across all eligible disease components for the applicable allocation period, in line with the [Allocation Methodology](#). This funding may be supplemented by other sources of funds (please see Annex 3), or may be reduced, for example, due to outstanding recoveries or if co-financing requirements<sup>12</sup> from the previous allocation period have not been met. Unused funding from the previous allocation period<sup>13</sup> (e.g., undisbursed funds, in-country cash balances, cash balances at the procurement agent level), and any recovered funds relating to disbursements made with grant funds arising from the previous allocation period cannot increase a country allocation. Please see the Global Fund [Guidelines for Grant Budgeting](#) for further details.
- Timeframe to use Allocation.** The Allocation Utilization Period (AUP) is the standard period of three years<sup>14</sup> during which the country allocation per component can be utilized to implement grants. For grants continuing to the next allocation period, the AUP starts the day after the Implementation Period end date. Any extension to grants from the previous cycle will consume funds and time from the new AUP and reduce the remaining duration and funding for the next grant. If the AUP is shorter than what is communicated

<sup>11</sup> The [2023 Eligibility List](#) determines which country components are eligible for an allocation for the 2023-2025 allocation period. Eligibility to receive an allocation does not guarantee allocation or funding.

<sup>12</sup> Please refer to the [OPN on Co-Financing](#).

<sup>13</sup> For the purpose of this OPN, this only refers to unused allocation funds and excludes C19RM-related funds.

<sup>14</sup> Variations from the three-year standard period may be allowed for joint funding requests where start and end dates for the different grant components are misaligned, and in other circumstances on an exceptional basis. These will be communicated to concerned applicants through the allocation letter.

in the allocation letter, the allocation funding available for the new grant(s) related to the same component is adjusted proportionately.

8. **Timeframe to Access Allocation.**<sup>15</sup> For each country, the available allocation for eligible components can be accessed, jointly with other components or separately by each component, once per allocation period. The associated grant must be approved by the Board prior to the end of the allocation period (i.e., by 31 December 2025 for the 2023-2025 allocation period). Applicants must consider the end date of their existing AUP and adequately plan for the submission of the funding request, registration for a TRP window, and subsequent grant-making timelines in order to complete the full process well ahead of the end of the existing AUP.
9. Applicants granted an allocation are notified through the allocation letter of the following information:
- allocation amount for eligible disease component(s) and AUP start and end dates;
  - type of applicant;<sup>16</sup>
  - the application and review approach;
  - applicable catalytic funds<sup>17</sup> and related programmatic and access conditions;
  - guidance on co-financing requirements and commitments; and
  - other specific financial/technical conditions and/or guidance relevant to the country/component(s)<sup>18</sup> to enable the applicant to proceed with funding request development and submission.

## II. Plan, Develop and Submit

10. Following the receipt of the allocation letter, applicants develop the funding request to access their allocation. The process entails the following steps:
- Plan and ensure implementation readiness
  - Continue country dialogue
  - Decide on program split
  - Develop and submit funding request

### Plan and Ensure Implementation Readiness

11. Applicants, together with implementers and Country Teams, plan the funding request and grant-making stages and deliverables in an integrated manner to ensure grants are signed at least one month before, and implementation-ready at, the implementation period start date. The Global Fund expects that all available opportunities to ensure implementation readiness are undertaken, including advancing grant-making priorities during the development of the funding request.

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<sup>15</sup> Portions of the allocation may be used earlier than at the start of a new implementation period (for example through the extension of the previous implementation period or advance payments).

<sup>16</sup> The type of applicant refers to: CCM, Non-CCM, RCM or RO. Please refer to the [Country Coordinating Mechanism Policy Including Principles and Requirements](#) for more information.

<sup>17</sup> If designated for the country component in the 2023-2025 allocation cycle.

<sup>18</sup> Such as allocation-related decisions or outcomes that have intended implications around use of funds (e.g. funding for pandemic preparedness, recoveries, continuation of essential services, or if countries are expected to be on a continued trajectory for significant reductions in allocations, etc.), and any other relevant information.

12. Applicants (particularly those using the program continuation approach or those with continuing Principal Recipient(s)), are strongly encouraged to engage with the selected Principal Recipient(s) early in the country dialogue process to develop and submit the following key documents in the level of detail required for grant-making<sup>19</sup> in their submission to the Technical Review Panel (TRP):
- i. The Performance Framework;
  - ii. The Detailed Budget; and
  - iii. The Health Product Management Template (HPMT), if applicable.
13. Implementation readiness can be further accelerated by initiating the selection and contracting of human resources, Sub-recipients and procurement partners early (where possible).
14. The advancement of grant-making is not recommended in cases where the applicant has concerns about the Principal Recipient's performance and/or where the Principal Recipient is expected to change.

### **Continue Country Dialogue**

15. An ongoing and inclusive country dialogue<sup>20,21,22</sup> is expected to take place during the funding request development stage and throughout the grant lifecycle. The country dialogue at the funding request stage is led by the CCM<sup>23</sup> and builds on National Strategic Plans and engagement with communities affected by the three diseases and in-country stakeholders.
16. Nominated Principal Recipients who have been selected following a transparent and documented process in accordance with the [Country Coordinating Mechanism Policy](#) are involved in the development of the funding request to improve the speed and quality of grant-making and grant implementation.
17. The Global Fund Secretariat participates in the country dialogue and clarifies relevant policies and processes. They also ensure important thematic areas are brought to the overall discussion, including:
- a. implementation issues that need to be addressed in the funding request;
  - b. relevant regional and country analysis based on (wherever possible) disaggregated data;
  - c. areas for focus and prioritization for the upcoming funding request, including pending issues from previous TRP and GAC reviews; and
  - d. development of co-financing commitments to support programmatic objectives.
18. **Support to Country Dialogue:** Support to country dialogue in preparation for a funding request submission needs to be addressed at the country level by in-country technical

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<sup>19</sup> For further guidance, please refer to the [OPN on Make, Approve and Sign Grants](#). For guidance specific to grants implementing the Payment for Results modality, please refer to the [Payment for Results Information Note](#).

<sup>20</sup> For multicountry applicants, the dialogue must take place at the regional level and involve stakeholders from all countries included in the funding request.

<sup>21</sup> In countries faced by acute or protracted emergencies as well as refugee influx, relevant humanitarian partners are expected to contribute to the country dialogue and share humanitarian needs and perspectives.

<sup>22</sup> This refers to engaging a broad range of stakeholders, including members and non-members of the CCM, representatives of the civil society and communities affected by the three diseases, experts in health systems, and other relevant experts depending on country context.

<sup>23</sup> In instances where the applicant is not a CCM, the country dialogue process is led by stakeholders facilitating the development of the funding request.

partners and using existing CCM funding resources<sup>24</sup> (as described in the [OPN on Country Coordinating Mechanism Funding](#)). In some cases, when applicants identify the need for additional technical support or advocacy during the country dialogue process, they can liaise with the Country Team to discuss possible options.

19. In qualifying cases (where additional funding is needed to support a meaningful country dialogue and an inclusive funding request development process), the applicant and the Country Team may explore the options below:

- a. Some strategic initiatives such as the Community Engagement Strategic Initiative<sup>25</sup> and others can provide technical assistance to support the engagement of civil society, key populations, etc., or to strengthen specific areas of the NSPs.
- b. Reinvestment of savings from existing grants can support country dialogue up to a maximum amount of US\$150,000 per component (please refer to the [OPN on Grant Revisions](#) for further details on reinvesting savings). Global Fund grant funds, however, cannot be used to cover the costs for a consultant or technical assistance to draft or write a funding request.

### **Decide on Program Split**

20. When applicable (and before the submission of the first funding request for any disease component for the relevant portfolio), the applicant must confirm or propose a revision to the program split communicated in the allocation letter. While doing so, the applicant must be mindful of the following:

- a. Applicants are advised to complete the programmatic gap tables and the resilient and sustainable systems for health (RSSH) gap analysis prior to discussing and deciding on the program split.
- b. Applicants must confirm or propose their revised program split no later than at the time of submitting their first funding request for any disease component for that portfolio, by completing the Program Split Confirmation Template (shared with the allocation letter). CCM endorsement is required for the Program Split Confirmation. The endorsement must be provided by: (i) the CCM Chair<sup>26</sup> and (ii) the civil society representative if the CCM Chair is the representative of the Government, or the representative of the Government if the CCM Chair is the representative of civil society.
- c. Applicants must indicate the intended investment amount for cross-cutting RSSH activities/interventions from within the allocation for the disease components.<sup>27</sup> This is required to identify synergies in system investments across the eligible diseases. Providing this information is not considered a program split change and does not require Global Fund Secretariat approval.
- d. If a standalone RSSH grant is anticipated, applicants must use the Program Split Confirmation Template to indicate a new program split, with RSSH as a separate component. This is a program split change.

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<sup>24</sup> At least 15% of the CCM Funding Agreement amount has to be allocated to support constituency engagement for non-governmental sector activities, including civil society and key population groups and to promote and improve the quality of stakeholder participation.

<sup>25</sup> Civil society and community organizations interested in applying for technical cooperation under the Community Engagement strategic initiative can contact [CRGTA@theglobalfund.org](mailto:CRGTA@theglobalfund.org) for more information.

<sup>26</sup> In the absence of the CCM Chair, endorsement by the Vice Chair is acceptable if in line with the CCM's governing documents. For Non-CCM and RO applicants, only the endorsement of the applicant's legal representative is required.

<sup>27</sup> This is a new requirement for the 2023-2025 allocation period.

- e. The applicant is only required to submit a justification for the proposed program split if the split is different from the one communicated by the Global Fund in the allocation letter. The decision-making process at the applicant level must be inclusive, justified and documented.
- f. The Global Fund Secretariat also communicates in the allocation letter where allocation-related decisions or outcomes have intended implications around the use of funds, as identified through the qualitative adjustment process. Any changes to program split for those components is closely monitored.
- g. The Country Team is required to be involved in the program split discussions to ensure a robust, inclusive process and a clear rationale underlying the CCM's proposed program split.
- h. The Global Fund Secretariat's approval of the program split must be obtained before the TRP reviews the applicant's first funding request. The review and approval processes follow the rules below:

Program Split	Approval Authority
Change to component's allocation is > 15% <u>and</u> > US\$5 million (or the equivalent in EUR-denominated grants).	<b>Elevated Review:</b> Grant Management Division (GMD) Head, based on Country Team's discussion with Grant Finance Manager (GFM), GMD Department Head (DH), Technical Advice and Partnership (TAP) Department and the Allocation Team. <sup>28</sup>
For a designated sub-set of countries identified at the time of qualitative adjustments, any change to program split triggers automatic elevated review. <sup>29</sup>	
Change moves component below the estimated cost of continuing essential services. <sup>30</sup>	
Change impacts a qualitative adjustment to a component's allocation that was intended for a specific use of funds.	
Any other change	FPM, based on Country Team's discussion with GFM and RM/DH.

21. Applicants can further revise the program split after the first funding request has been submitted and up to the point that all grants for the impacted component have been recommended for Board approval by the GAC. If a disease component still has unused allocation funding after the Board approval of its associated grant(s), the unused funds can be reallocated to a different component with grants that have not yet been

<sup>28</sup> The Allocation Team provides support to assess whether the proposed change counters the intended direction of a component's allocation under the allocation methodology. The Allocation Team will engage the CRG department in the review of changes to the program split that fall under the CRG mandate.

<sup>29</sup> Countries requiring escalated review under these criteria will be identified by the Allocation Team and communicated to relevant Country Teams.

<sup>30</sup> The estimated cost of essential services as per the qualitative adjustment process shall be considered as the reference point.

recommended by the GAC.<sup>31</sup> All revisions to the program split must be communicated by the applicant through the Program Split Confirmation Template and are subject to the approval process set out in the table above.

## Plan, Develop and Submit the Funding Request

22. When developing the funding request, applicants need to consider how their request contributes to advancing the fight against the epidemics and achieving the [Global Fund Strategy 2023-2028](#). The TRP will use its [Review Criteria](#) to assess this. Specifically, funding requests need to fulfill the following (as applicable to the country context and as discussed with the Global Fund Secretariat):

- a. **Align with National Strategies.** Funding requests are expected to contribute to the NSPs and the overall strategic direction for a country's health and disease-specific programs.
- b. **Build Resilient and Sustainable Systems for Health.**<sup>32</sup> Applicants are required to discuss holistic RSSH, including community system needs, during the country dialogue, preferably at the start of the funding request country dialogue. Applicants may either present their RSSH request within a disease-specific funding request or as a standalone RSSH funding request. Splitting RSSH investments across different funding requests is discouraged as it can affect the comprehensive planning of RSSH investments as well as the assessment, coordination, implementation and performance monitoring of the health system. Therefore, applicants are encouraged to include their entire RSSH request with the first funding request submitted to the Global Fund, to allow for a holistic assessment of the cross-cutting health investments.
- c. **Put Communities at the Center.** Evidence demonstrates that engagement with communities in the design of programs results in more effective programming and better health outcomes. Therefore, during funding request development, the Global Fund requests applicants to work together with people and communities living with and affected by the three diseases to jointly respond to their specific health needs in the design of the program.
- d. **Advance Health Equity, Gender Equality and Human Rights.** In their requests, High Impact and Core applicants<sup>33</sup> are requested to analyze and outline interventions to address human rights and gender-related barriers in access to services and promote gender equality and health equity. Applicants are encouraged to use disaggregated data to identify inequalities and barriers related to human rights, gender equality, and health equity; analyze the social and structural drivers behind these barriers; and consider the impact they have on health outcomes. Based on these analyses, applicants should design evidence-based programming that maximizes health equity, gender equality and human rights in their context, including programming that is responsive to the needs of women, girls, adolescents and youth, gender-diverse communities, the poorest and most marginalized, and members of other key and vulnerable populations. Applicants are requested to plan for appropriate evidence-based implementation arrangements responsive to these needs.

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<sup>31</sup> If the funding request has been through TRP review and recommendation, the use of the additional funds should be in line with the TRP recommendations.

<sup>32</sup> System strengthening activities lead to permanent system improvements, beyond the life of the grant. While system support activities are meant to support the success of grant disease control activities.

<sup>33</sup> This is not relevant for Focused Portfolios.

- e. **Prepare and Respond to Pandemics.** The COVID-19 pandemic has overloaded systems for health, reducing economic growth and constraining domestic resource mobilization. It is imperative that countries be equipped and better prepared for future pandemic threats to reduce the risk that subsequent pandemics further derail progress against HIV, TB and malaria and broader global health goals. Therefore, as part of the funding request, applicants are requested to consider investments in strengthening systems for health and community systems and supporting capacities that are critical to prevent, detect and respond to infectious disease outbreaks.
- f. **Consider Lessons Learned, Evaluations and Results.** The applicant must consider lessons learned, challenges, results and impact achieved during the previous implementation period, including findings and recommendations of national program reviews and evaluations of program and data quality assessments, as well as impact assessments.
- g. **Progress on Issues Raised by TRP and GAC in the Previous Allocation Period.** The applicant is required to address key issues raised by the TRP and GAC during the previous allocation period, as applicable, before the submission of their funding request.
- h. **Complete the Prioritized Above Allocation Request (PAAR).** The PAAR is a required document submitted and reviewed in conjunction with the funding request. Before completing the PAAR, applicants must ensure that the most critical modules and interventions for their program are prioritized and covered within the allocation amount. The TRP reviews the PAAR and determines which part of it constitutes Unfunded Quality Demand (UQD). These activities are included in a public UQD register for potential future funding, either from the Global Fund (e.g., using efficiencies from the grant, foreign exchange savings or Portfolio Optimization) or from external sources (e.g., private sector contributions, debt swap agreements and other Innovative (joint) Finance mechanisms with multilateral development banks). As needed, the PAAR and UQD register may be further updated during grant-making and implementation.
- i. **Streamline Grant Portfolios and Operations.** Where possible, the Global Fund encourages applicants to streamline grant portfolios through joint funding requests, including two or more components with a single Principal Recipient.<sup>34</sup> This is particularly relevant in countries with smaller allocations, such as in Focused portfolios.
- j. **Strengthen focus on value for money.** All applicants are expected to demonstrate efforts to improve value for money through the five dimensions of economy, effectiveness, efficiency, equity and sustainability. All five dimensions must be considered in their totality, given the country context, overall health strategies, epidemiological trends and gaps, health system capacity constraints, domestic budgets and other donor investments. Such efforts must contribute to maximize and sustain quality and equitable health outputs, outcomes and impact in a resource-constrained environment.
- k. **Identify Suitable Implementers.** At the funding request stage, based on an open and transparent process, the applicant<sup>35</sup> must nominate the Principal Recipient(s) for

<sup>34</sup> In instances where there is a misalignment between grant start and end dates for two different components, specific guidance will be provided to the applicant in the allocation letter.

<sup>35</sup> Except in instances where a portfolio is managed under the [Additional Safeguard Policy](#) and the selection of the Principal Recipient is one of the safeguards invoked for the portfolio.

the grant(s).<sup>36</sup> Upon nomination, the Country Team must initiate the required capacity assessment for the nominated Principal Recipient, if applicable.<sup>37</sup> The capacity assessment<sup>38</sup> must be completed prior to the receipt of TRP recommendations.<sup>39</sup> Based on the capacity assessment and the recommendation of the Country Team, the Regional Manager/Department Head,<sup>40</sup> will decide to accept or reject the nominated Principal Recipient prior to proceeding to grant-making. In the event that a nominated Principal Recipient is rejected, the applicant will be requested to nominate an alternative Principal Recipient and another capacity assessment will be conducted as required.<sup>41</sup> Implementation arrangements should include diverse implementers including community-led and -based organizations in order to achieve maximum effectiveness and impact. For more details on the categories of implementers, please refer to Annex 4.

- I. **Address Risks.** As part of the early stages of the funding request development, Country Teams share and discuss with applicants, key risks and capacity issues identified during the previous implementation period that may impact the ability of implementers to achieve expected program goals, key objectives and results. Drawing on these assessments, the applicant must ensure these key risks are mitigated to allow a smooth implementation of the grant (please refer to the [OPN on Risk Management](#))
- m. **Engage the Local Fund Agents (LFAs).** It is strongly encouraged to involve LFAs from the start of the funding request development stage, including in country dialogue to help address operational design issues before the funding request is reviewed by the TRP. For more information, please refer to the [LFA Manual \(section C\)](#). For portfolios which have a history of suboptimal delivery, LFAs assess the implementation arrangements likely to be used for the new grant(s). This assessment must be ideally conducted as early as possible to provide timely insights and allow sufficient time for other related LFA reviews during grant-making.
- n. **Protect from Sexual Exploitation and Harassment.** Applicants are recommended to identify sexual exploitation, abuse and harassment (SEAH) related risks in Global Fund-financed programs and embed relevant mitigation measures in the proposed interventions. Please refer to the Global Fund Codes of Conduct for Recipients and Suppliers as well as the [Guidance Note on PSEAH](#) for further information.
- o. **Enhance domestic financing and strengthen sustainability / transition preparedness, including complying with Sustainability, Transition and Co-Financing (STC) Policy requirements.**
  - **Focus of Application:** All funding requests and resulting grants must comply with the focus of application requirements. These are the requirements that

<sup>36</sup> The Global Fund recommends that the applicant implements dual track financing (DTF), i.e., nominate a Principal Recipient from both the government and non-government sectors for the implementation of the program. The documented transparent selection of implementers is the basis for the screening for compliance with eligibility requirement 2 set out in the [Global Fund's Country Coordinating Mechanism Policy](#).

<sup>37</sup> A capacity assessment is required for: (i) all new Principal Recipients who have not previously implemented a grant for the disease component; and (ii) existing Principal Recipients who will be implementing new activities for which their capacity has not been previously assessed. Outside of these two required situations, a Country Team may also conduct a capacity assessment for an existing Principal Recipient or select Sub-Recipients if necessary to manage risks, as contemplated under the [OPN on Risk Management](#) and [OPN on Additional Safeguards Policy](#).

<sup>38</sup> A thematic (tailored) capacity assessment may be considered where Payment for Results is used. This is to ensure the Global Fund Secretariat has sufficient assurance on the internal controls and their effectiveness.

<sup>39</sup> Please refer to the [OPN on Risk Management](#).

<sup>40</sup> For High Impact Departments

<sup>41</sup> The Global Fund Secretariat reserves the right to approve the selected Principal Recipient, whether new or existing. This right extends in some cases to the selection of key Sub-recipients.

govern how Global Fund financing can be used and which interventions the applicant can request to be funded from the Global Fund. Application focus requirements are differentiated according to a country's income classification. Please refer to the [STC Policy](#) for further information.

- **Enhance domestic financing and co-financing:** To support programmatic impact, funding requests should describe how applicants are working to enhance domestic financing of health and the national responses, including both raising additional resources and improving the efficiency of existing resources. All funding requests and resulting grants must comply with the co-financing requirements set forth in the [STC Policy](#), including describing co-financing commitments and offering evidence of realization of previous commitments. For detailed guidance on the co-financing requirements, please refer to the [STC Guidance Note](#), [OPN on Co-Financing](#) and the allocation letter.
  - **Strengthening Sustainability:** The [STC Policy](#) emphasizes the importance of strengthening sustainability across the entire Global Fund portfolio. While specific activities and focus areas vary and depend heavily on country context, the Global Fund encourages all countries to gradually strengthen the sustainability of Global Fund-financed national responses and interventions. More details are available in the [STC Guidance Note](#).
  - **Transition Planning and Preparedness:** In line with the [STC Policy](#), the Global Fund requires all upper-middle-income countries (regardless of disease burden) and upper lower-middle-income countries with components that have “not high” burden to proactively prepare for transition from Global Fund financing. This includes integrating transition considerations and strengthening transition preparedness through Global Fund funding requests, co-financing commitments, and national planning.
- p. **Consider Results-Based Financing (RBF) Modalities.**<sup>42</sup> RBF is a form of financing in which payments are made purely on the basis of verified results instead of inputs. There are two RBF<sup>43</sup> modalities: 1) Payment for Results (PfR)<sup>44</sup>; and 2) Results-Based Contracts (RBC)<sup>45</sup>. At the funding request stage, applicants may consider implementing any of the RBF modalities following discussion and agreement with the Global Fund Secretariat. If agreed, the applicant will complete the RBF section of the Funding request and submit the funding request package for TRP review. The RBF elements are further finalized during grant-making, based on the TRP-reviewed and recommended funding request. In other cases, RBF may be introduced during implementation. For more details, please refer to the [funding request instructions](#), the [Technical Guidance on Payment for Results](#) and the [OPN on Make, Approve and Sign Grants](#). If used in combination with blended financing, please refer to the relevant sections in the [OPN on Blended Finance and Joint Investments](#).
- q. **Leverage Joint Investments.** The Global Fund encourages applicants to consider joint investments with development partners to address high-priority areas at the

<sup>42</sup> Guidance in this section supersedes guidance on Payment for Results (Results-based Financing and Activity-based Contracts) in the Guidelines on Grant Budgeting.

<sup>43</sup> This terminology is specific to the Global Fund. Other organizations may use different terms and modalities.

<sup>44</sup> **Payment for Results (PfR)** is a modality in which the Global Fund makes payments to the PR based on the verification of results against agreed performance indicators. The Global Fund can apply PfR with any type of PR if they have the requisite capacity to implement the PfR modality.

<sup>45</sup> **Results-Based Contract (RBC)** is a modality in which a PR or SR makes payments to an SR/SSR or Supplier based on verification of results against agreed performance indicators.

country or sub-regional levels. Such joint investments, where appropriate and relevant, may help align development finance and leverage additional investments for health systems or the national responses. They include blended finance/joint investments with development financing institutions or Multilateral Development Banks (MDBs) and Debt2Health transactions. Applicants should engage early with the Country Team if and when they are considering joint investments. Please refer to the [OPN on Blended Finance](#).

- r. **Adapt to Challenging Operating Environments.** The [OPN on Challenging Operating Environments](#) (COEs) provides the overall guidance on Global Fund adaptive engagement to ensure access to essential services and/or maximize coverage and impact in such contexts,<sup>46</sup> based on the principles of flexibility, partnerships and innovation.

**23. Funding Request Currency.** The funding request and the resulting grant can be denominated in either U.S. dollars or Euros and grant currency must be confirmed for the relevant grant implementation period. The currency is communicated in the allocation letter.

**24. Application Package.** Applicants are required to ensure submission of all required documents relevant for their application to be deemed complete and eligible for review by the TRP. The application package must be submitted within the deadline set for the applicable TRP review window (please refer to Annex 2 for further information).

### III. Review and Recommend

#### Screen for Completeness and Compliance with the CCM Eligibility Requirements

**25.** After the submission of the funding request, the Global Fund Secretariat performs completeness and consistency checks. The Global Fund Secretariat will notify the applicant in case clarifications, additional information or documentation are needed. In such cases, the applicant has a limited window (up to 10 days) to provide the requested material.

**26.** When the applicant is a CCM or an RCM, the Global Fund Secretariat evaluates the application to ensure compliance with the CCM Eligibility Requirements<sup>47</sup> that are assessed at the time of the funding request submission.

**27. Differentiated Screening of CCM Eligibility Requirements 1 and 2.** CCM eligibility requirements 1 and 2 are reviewed in a differentiated manner as determined by the Global Fund Compliance Review Panel. Country components considered to have a higher risk of non-compliance<sup>48</sup> require greater scrutiny and a more in-depth review.<sup>49</sup> Others undergo a “light” CCM eligibility screening.<sup>50</sup>

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<sup>46</sup> [GF/B35/DP09](#).

<sup>47</sup> Please refer to the [Country Coordinating Mechanism Policy Including Principles and Requirements](#) for more information.

<sup>48</sup> Higher risk of non-compliance may be linked to risk assessments and reports indicating potential issues with regards to meeting CCM eligibility requirements (e.g., inclusiveness, lack of transparency in the selection of the Principal Recipient, conflict of interest issues, etc.) and therefore an in-depth scrutiny is recommended at the moment of funding request submission.

<sup>49</sup> As part of the in-depth screening, the Global Fund will review the Country Dialogue Annex, the Statement of Compliance, the Endorsement Sheet as well as all supporting documents to ensure compliance with eligibility requirements 1 and 2.

<sup>50</sup> As part of the light screening for eligibility requirements 1 and 2, the Global Fund will only review Country Dialogue Annex, the Statement of Compliance and the Endorsement Sheet.

28. **Compliance with Eligibility Requirements 3 to 6.** When the applicant is a CCM or an RCM, the Global Fund Secretariat evaluates the mechanism's compliance with the CCM Eligibility Requirements 3, 4, 5 and 6, before the funding request submission.
29. **Non-CCM.**<sup>51</sup> Applications submitted by non-CCMs need to comply with the overall principle of inclusiveness, as appropriate, given the country context.
30. Following the eligibility assessment, applicants fall into one of four categories:
- a. **Compliant:** the applicant fully complies with the eligibility requirements and relevant indicators.
  - b. **Compliant with Issues:** some criteria are not fully met, but the applicant demonstrates credible intent to comply.
  - c. **Indeterminate Compliant:** further information is required to complete the assessment.
  - d. **Non-Compliant:** most or all of the eligibility criteria are not met.
31. Instances where the applicant is deemed "Compliant with Issues", "Indeterminate Compliant" or "Non-Compliant" are escalated to the Compliance Review Panel that evaluates the findings and recommendations made by the Access to Funding department and makes a final decision as to whether the funding request is:
- a. shared with the TRP for review, with specific recommendations to be met by the CCM at the time of grant-making; or
  - b. rejected and returned to the applicant with clear recommendations on how to comply with the eligibility requirements before resubmitting at a subsequent TRP window.

## TRP Review and Recommendation

32. **TRP Review.** In line with the criteria and modalities specified in its [Terms of Reference](#), the TRP reviews<sup>52</sup> the funding request and provides an independent assessment of the strategic focus, technical soundness and potential for impact and the extent to which grants are poised for sustainability.
33. Country Teams may provide additional contextual analysis or considerations to inform the TRP review. The Global Fund Secretariat analysis is captured in the Secretariat Briefing Note. This is the Global Fund Secretariat's objective analysis of the proposed investment and an overview of contextual information, including critical elements that are not available in other documents of the funding request. It is not intended to influence the TRP's independent review of the application, but rather to complement the funding request by bringing the Global Fund Secretariat's perspective.
34. Following their review, the TRP recommendation results in one of two decisions:

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<sup>51</sup> In exceptional situations, the CCM in certain countries may not be in a position to carry out its core functions or to fulfill the eligibility requirements. In these cases, a non-CCM applicant submits the funding request. For further details on such situations, see the Country Coordinating Mechanism Policy Including Principles and Requirements. Non-CCM applications must be endorsed by the Legal representative of the applicant.

<sup>52</sup> In certain instances, the TRP may be engaged at an earlier stage of the process to help shape the funding request before the submission of the application. This refers to the "early engagement". This may be particularly relevant in instances where innovative financing elements are being explored or joint investments with other financing institutions are sought.

- a. **Proceed to grant-making.** The TRP recommends to the Global Fund Secretariat and Board that the applicant can proceed to grant-making.
- b. **Further iteration required.**<sup>53</sup> The TRP recommends a further iteration, i.e. resubmission of a revised funding request for TRP review.

### **GAC Steer (if applicable)**

35. GAC steer during the funding request stage is conducted on an **as-needed basis**, in line with the GAC review criteria and terms of reference.<sup>54</sup> The Country Team or the GAC Secretariat can request a GAC steer at any time before or after the TRP review. GAC steer does not prevent the start of grant-making. For some portfolios, a GAC discussion may be needed to provide strategic steer for critical management concerns for and during grant-making.<sup>55</sup>

### **Notify the Applicant**

36. The outcome of the independent TRP review is captured in the TRP Review and Recommendation Form. The form also lists recommendations identified during the review of the funding request and provides corresponding actions to be addressed during grant-making and/or implementation. The form is shared with the applicant to inform them of the outcome of the TRP review.<sup>56</sup> Any messaging emanating from the GAC steer, if relevant, is also shared.

### **TRP Issues**

37. The TRP may raise specific issues with strategic actions for the applicant to address, which are to be cleared by either the TRP or the Global Fund Secretariat during grant-making and/or during grant implementation. Funding requests that are 'recommended for grant-making with issues' to be cleared by the TRP, go through the **TRP clarifications** process.
38. The TRP clarifications process allows the TRP to ensure that important technical concerns identified during the review of the funding request are addressed in a timely manner either to the satisfaction of the TRP or to the satisfaction of the Global Fund Secretariat.<sup>57</sup> A regular report on the status of completion of TRP issues will be shared by the Access to Funding Department with GAC for information and steer, as needed.

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<sup>53</sup> For the Program Continuation applications where the TRP review has identified major concerns, the TRP may recommend re-submission under a non-program continuation request approach.

<sup>54</sup> The GAC seeks to proactively support grant-making for a set of country disease programs by providing upfront strategic investment guidance to materially influence outcomes and set up identified portfolios for maximum impact in a given allocation period.

<sup>55</sup> Please refer to the [OPN on Make, Approve and Sign Grants](#).

<sup>56</sup> The TRP Review and Recommendation Form is also shared with the Global Fund Secretariat and the Board.

<sup>57</sup> This refers to the Country Team, relevant technical teams and the Grant Approvals Committee as needed.

## Annex 1. Sub-process Owners

No.	Sub-process name	Sub-process Owner*	Output(s)
1	Determine Funding Request and Review Approach	Access to Funding	Review approach determined for all Global Fund applicants
2	Draft and Share Allocation Letters	Access to Funding	Drafted allocation letters, including guidance to applicants to facilitate accessing the allocation
3	Continue Country Dialogue	GMD	Open and inclusive conversation with in-country stakeholders and findings collected to feed into the funding request
4	Decide on Program Split	Access to Funding	Proposed program split for the disease components, including RSSH
5	Develop and Submit the Funding Request	Access to Funding	Final funding request submitted to the Global Fund Secretariat
6	Plan and Ensure Implementation Readiness	GMD	Agreement to advance grant-making deliverables. Performance Framework; Detailed and Summary Budget; Health Product Management Template (HPMT) are developed in grant-making level of details if applicable;
7	Screen for Completeness and Consistency	Access to Funding GMD	Complete and clarified set of funding request documentation to facilitate the TRP review
8	Assess Compliance with CCM Eligibility Requirements	Access to Funding	Documented findings from the assessment of eligibility requirements 1 and 2 in the screening summary sheet
9	TRP Review and Recommendation	Access to Funding	Documented TRP findings in the TRP Review and Recommendation Form
10	GAC Steer (if applicable)	Access to Funding	Steer for issues identified for grant-making, in the form of a GAC Review Form
11	Notify the Applicant	GMD	Written communication shared with the applicant
12	Report status of TRP clarifications	Access to Funding	Periodic reports from TRP Issues database
Process functionality, form or tool		Sub-component Owner*	Output
12	Allocation Letter	Access to Funding	Letter shared with Applicant
13	Program Split Confirmation Template	Access to Funding	Applicant confirms or modifies original split indicated in allocation letter
14	Application package per approach	Access to Funding	Appropriate documents are made available to applicants as per application approach
15	TRP Review and Recommendation Form	Access to Funding	TRP Review Form with recommendations and actions is shared with applicant
16	GAC Review Form (if applicable)	Access to Funding	GAC Review Form with recommendations is shared with applicant

\* Design, testing & delivery from a process, policy, system & data perspective, with PAF process-owner engagement and sign-off. Change management, training & communications, ensuring compliance & daily sub-process support to end-users.

## Annex 2. Document Requirements

Para No	Document	Requirement Level	
		High-Impact and Core	Focused
Documents Reviewed by the Technical Review Panel			
1	Funding Request Form	Required	Required
2	Performance Framework	Required	Required
3	Budget	Required	Required
4	Programmatic Gap Table	Required	Required
5	Funding Landscape Table <sup>58</sup>	Required	Required
6	Prioritized Above Allocation Request <sup>59</sup>	Required	Required
7	Health Product Management Template	Best Practice <sup>60</sup>	Not required
8	Implementation Arrangements Map <sup>61</sup>	Best Practice	Best Practice <sup>62</sup>
9	RSSH Gaps and Priorities	Required	Not required
10	Assessment of Human Rights-Related Barriers	Best Practice	Not required
11	Gender Assessment	Best Practice	Not required
12	Essential Data Tables	Required	Required
13	National Strategic Plan <sup>63</sup>	Best Practice	Best Practice
14	Innovative Financing Documentation <sup>64</sup>	Best Practice	Best Practice
15	Supporting Documentation Related to Sustainability and Transition	Best Practice	Best Practice
16	List of Abbreviations and Annexes	Required	Required
17	Secretariat Briefing Note	Best Practice	Not required <sup>65</sup>

<sup>58</sup> The Funding Landscape Table is not required for the Aligned model, piloted in Grant Cycle 7.

<sup>59</sup> PAARs are required with the funding request.

<sup>60</sup> Only for applicants who are requesting funding to cover Health Products and/or associated management costs.

<sup>61</sup> Updated Implementation Arrangements Maps are submitted at the funding request stage if the program is continuing with the same Principal Recipient to the next allocation period. Otherwise, the Implementation Arrangement Map can be submitted at the time of grant-making.

<sup>62</sup> Only for Light, Legacy, and input-based components of the funding request of Targeted models.

<sup>63</sup> Required for applicants submitting a Tailored for NSP funding request.

<sup>64</sup> Required for applicants who are using certain Innovative Financing mechanisms.

<sup>65</sup> Unless the funding request includes matching funds.

<b><i>Documents Assessed by the Global Fund Secretariat</i></b>			
<b>18</b>	<b>CCM Statement of Compliance<sup>66</sup></b>	Required	Required
<b>19</b>	<b>CCM Endorsement of Funding Request<sup>67</sup></b>	Required	Required
<b>20</b>	<b>Funding Priorities from Civil Society and Communities Annex</b>	Required	Required
<b>21</b>	<b>Country Dialogue Narrative</b>	Required	Required
<b>22</b>	<b>Sexual Exploitation, Abuse and Harassment (SEAH) Risk Assessment<sup>68</sup></b>	Best Practice	Not required
<b>23</b>	<b>Additional documentation related to co-financing</b>	Best Practice	Best Practice

<sup>66</sup> Endorsement must be provided by: (i) the CCM Chair and (ii) the civil society representative if the CCM Chair is the representative of the Government, or the representative of the Government if the CCM Chair is the representative of the civil society. With respect to endorsement by the CCM Chair, in the absence of the CCM Chair, endorsement by the Vice Chair is acceptable if in line with the CCM's governing documents.

<sup>67</sup> Endorsement by each member of the CCM (or RCM for RCM applications) shall be provided. For RCM applications, endorsement must also be provided for each country represented in the program by: (i) CCM Chair and (ii) civil society representative if the CCM Chair is the representative of the Government, or the representative of the Government if the CCM Chair is the representative of the civil society.

<sup>68</sup> This document will be reviewed by the TRP for a subset of countries as part of a pilot review.

## Annex 3. Sources of Funding

39. Subject to the eligibility criteria specific to each source of funding, applicants may receive funding from the following sources during the funding request design and submission:

- a. **Funding for Country Allocations:** These funds are apportioned to countries in line with the Board-approved Eligibility Policy and [Allocation Methodology](#).
- b. **Catalytic Investments:** The Board may approve a portion of resources in addition to country allocations in order to address issues which cannot be adequately addressed by the country allocations alone.<sup>69</sup>
  - i. **Matching Funds**<sup>70</sup>. These funds are available to selected countries to incentivize the investment of a country allocation (and in some cases, domestic resourcing) in key strategic priorities. Matching Funds are communicated in the allocation letter and Matching Funds requests are reviewed along with the allocation funding request. For more details, refer to Instructions and [Guidance for Matching Funds Applications](#).
  - ii. **Multicountry Funding.** These funds are available to target a limited number of key strategic multicountry priorities deemed critical to meet the aims of the Global Fund Strategy and not able to be addressed through country allocations alone. Catalytic funding for a multicountry approach may be the only source of funding for the program or may be provided in addition to funding provided from the country allocations of constituent country components. Certain multicountry programs may also be fully comprised of the combined allocations of constituent country components<sup>71</sup>. Close coordination between national programs and the implementation of multicountry initiatives must be demonstrated each time. For more details, please refer to the [Guidance on Multicountry Funding Applications](#) (updated guidance for the 2023 – 2025 allocation cycle forthcoming).
  - iii. **Strategic Initiatives.** These limited funds are available for centrally managed approaches for strategic areas that cannot be addressed through country allocations due to their cross-cutting, innovative or off-cycle nature, which are critical to ensure country allocations deliver against the Global Fund Strategy.
- c. **Restricted Financial Contributions:** These include contributions by eligible Global Fund donors, including corporations, foundations, private donors and a limited number of authorized public mechanisms i.e., UNITAID and Debt2Health. This type of funding is restricted to investments listed in the UQD Register, effectively resulting in additional or complementary amounts of funding to Board-approved grants. Please refer to the [Policy on Restricted Financial Contributions](#) and the procedures that guide how to access these types of funds once they have been secured.

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<sup>69</sup> GF/B47/04 – Revision 1 - [Catalytic Investments for the 2023-2025 Allocation Period](#).

<sup>70</sup> Some grants may utilize a performance for results modality, requiring tailored, proactive planning to ensure confirmation and appropriate reporting against conditions. In such cases, the Country Team should work with the Principal Recipient, Legal and the Catalytic Investments Project Management Office to define evidence-based indicators that can confirm that Matching Funds (and matched allocation) remain invested in the relevant priority area.

<sup>71</sup> Ibid

## Annex 4. Global Fund Implementers

This annex sets forth the working definitions<sup>72</sup> for the Global Fund implementer types for the purpose of the grant lifecycle operations and grant deliverables.

### Types of Implementers

40. Global Fund implementers are entities entrusted by the Global Fund with the implementation of defined<sup>73</sup> grants or grant activities, using Grant Funds<sup>74</sup>. Global Fund implementers include the following:

- **Principal Recipient** is the entity which ensures the implementation of activities funded with Grant Funds in accordance with the terms of the signed Grant Confirmation, Framework Agreement, and other documents<sup>75</sup> forming part of the Grant Agreement with the Global Fund.

For most grants, the Principal Recipient is fully responsible for grant implementation.

- **Lead Implementer**<sup>76</sup> is an entity that leads grant implementation in defined cases where a government implementer is not mandated to sign Grant Confirmations per national laws or for other legal reasons. In such cases, the mandated government entity signs the Grant Confirmation as Principal Recipient with the government implementer acting as Lead Implementer. This assignment does not change or waive the accountability and responsibilities of the Principal Recipient for implementation of the grant under the terms of the relevant Grant Agreement.
- **Sub-recipient**<sup>77</sup> is the entity which receives Grant Funds directly or indirectly from the PR and implements defined grant activities under the oversight of the Principal Recipient. Sub-recipients are accountable to the Principal Recipient with respect to the use of Grant Funds and grant activities assigned to them and must comply with requirements that are generally equivalent to the obligations of the Principal Recipient under the Principal Recipient's own agreements with the Global Fund<sup>78</sup>.

All recipients of Global Fund grant funds are required to comply with the [Code of Conduct for Recipients of Global Fund Resources](#).

**Suppliers**<sup>79</sup> are not considered implementers. Suppliers means collectively, without limitation, all bidders, suppliers, agents, intermediaries, consultants and contractors, who are not the Principal Recipient(s) or Sub-recipients but provide goods and /or services to a Program.

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<sup>72</sup> The definitions in the Global Fund Grants Regulations take precedence in case of conflict.

<sup>73</sup> Defined grants or grant activities as per the detailed budget, annexed to the Grant Confirmation.

<sup>74</sup> Refer to [Oversee Implementation and Monitor Performance OPN](#) on how the Global Fund monitors implementation and performance

<sup>75</sup> These include the [Global Fund Grant Regulations \(as amended from time to time\)](#), the [Global Fund Guidelines for Grant Budgeting \(as amended from time to time\)](#), and other documents incorporated by reference, including the Health Products Guide, the Code of Conduct for Recipients, the Code of Conduct for Suppliers, the Auditing Guidelines and other operational policies as communicated in writing to the Principal Recipients.

<sup>76</sup> As defined in the [Grant Entity Data OPN](#).

<sup>77</sup> Please note that under the Global Fund Grant Regulations (as amended from time to time), the term "Sub-recipient" is defined to include recipients who receive grants funds "indirectly" from the Principal Recipients. Depending on the grant's implementation arrangements, implementers may therefore also include subsequent levels of Sub-recipients e.g. Sub-sub-recipients (SSRs) and Sub-sub-sub-recipients (SSSRs).

<sup>78</sup> Refer to Article 4(4.3) of the [Global Fund Grant Regulations \(2014\)](#).

<sup>79</sup> Referred to as Third-Party Organizations in some documents.

## Eligibility and selection of Global Fund Implementers

41. **Principal Recipients:** The Principal Recipient must be nominated by the CCM, RCM or Regional Organizations (RO), can be a new or existing implementer and is required to be a recognized national legal entity from the public or private sector or civil society. The CCM must follow a set of eligibility criteria<sup>80</sup> for such nomination. This also applies for RCMs requesting Global Fund funding. However, Non-CCMs and ROs do not have to apply eligibility criteria when selecting their Principal Recipients, although it is strongly recommended that they implement them to the extent possible. The Principal Recipients must be selected and nominated to the Global Fund early during the funding request stage. Prior to accepting a new<sup>81</sup> Principal Recipient nominated by an applicant, the Local Fund Agent<sup>82</sup> assesses whether the Principal Recipient's systems and capacities are adequate for the effective management of grant funds ([see OPN on Risk Management](#)). For countries managed under the Additional Safeguards Policy (ASP), the Global Fund Secretariat is more directly involved in the selection of implementers in order to mitigate risks and ensure accountable use of grant funds (see OPN on [Additional Safeguard Policy](#)).
42. In exceptional cases<sup>83</sup>, if the CCM and/or the Global Fund Country Team conclude that no entity incorporated locally can be appointed as Principal Recipient to undertake grant implementation, the country office of a multilateral organization<sup>84</sup> (e.g., multilateral organizations such as UN entities, international NGOs) can be selected as Principal Recipient. In this case, firm evidence must be presented by the CCM that there are no national entities with the requisite capacity, and Country Teams must confirm their agreement. The Global Fund expects that engaging multilateral organizations or international NGOs to be Principal Recipient as temporary, and that one or several national entities may be phased-in as Principal Recipient(s) once their capacities have been strengthened. The Grant Agreement with a non-national entity Principal Recipient may include plans for developing the capacity of one or several national entities and a timeline for transferring Principal Recipient responsibility to them.<sup>85</sup>
43. In rare cases where no other options are considered as acceptable, bilateral organizations (including the consulting arm of bilateral organizations, even if these are private entities) can be considered as Principal Recipients. This would be the case where the country context proves to be challenging and where the CCM and the Global Fund Country Team conclude that no national or other international organizations can be appointed as Principal Recipient to undertake grant implementation. The use of a bilateral organization as a Principal Recipient or Sub-recipient of a Global Fund grant requires approval from Global Fund Senior Management<sup>86</sup>.

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<sup>80</sup> As set out in the [CCM Policy](#).

<sup>81</sup> Includes (i) all new Principal Recipients who have not previously implemented the disease component, and (ii) existing Principal Recipients who will be implementing new activities for which their capacity has not been previously assessed.

<sup>82</sup> An independent organization serving as the eyes and ears on the ground in the countries supported by the Global Fund and works closely with the Country Team at the Global Fund Secretariat to evaluate and monitor activities before, during and after the implementation of a grant.

<sup>83</sup> Other situations may include a) when the [ASP](#) applies; b) in countries in conflict; and c) when currency controls or currency risks jeopardize the ability to ensure sufficient resources are available for grant implementation

<sup>84</sup> However, WHO (multilateral organization) cannot serve as Principal Recipient for Global Fund grants as some Global Fund policies applicable to Principal Recipients may be perceived as in conflict with WHO rules and regulations, but they can assume the role of Sub-recipients in Global Fund grants.

<sup>85</sup> National capacities must be developed for more sustainable responses. Aside from the sustainability considerations, there are also cost considerations related to non-national entity implementers (see [OPN on Support Costs and Indirect Cost Recovery \(ICR\) Policy for Non-Governmental Organizations](#)).

<sup>86</sup> The Executive Grants Management Committee.

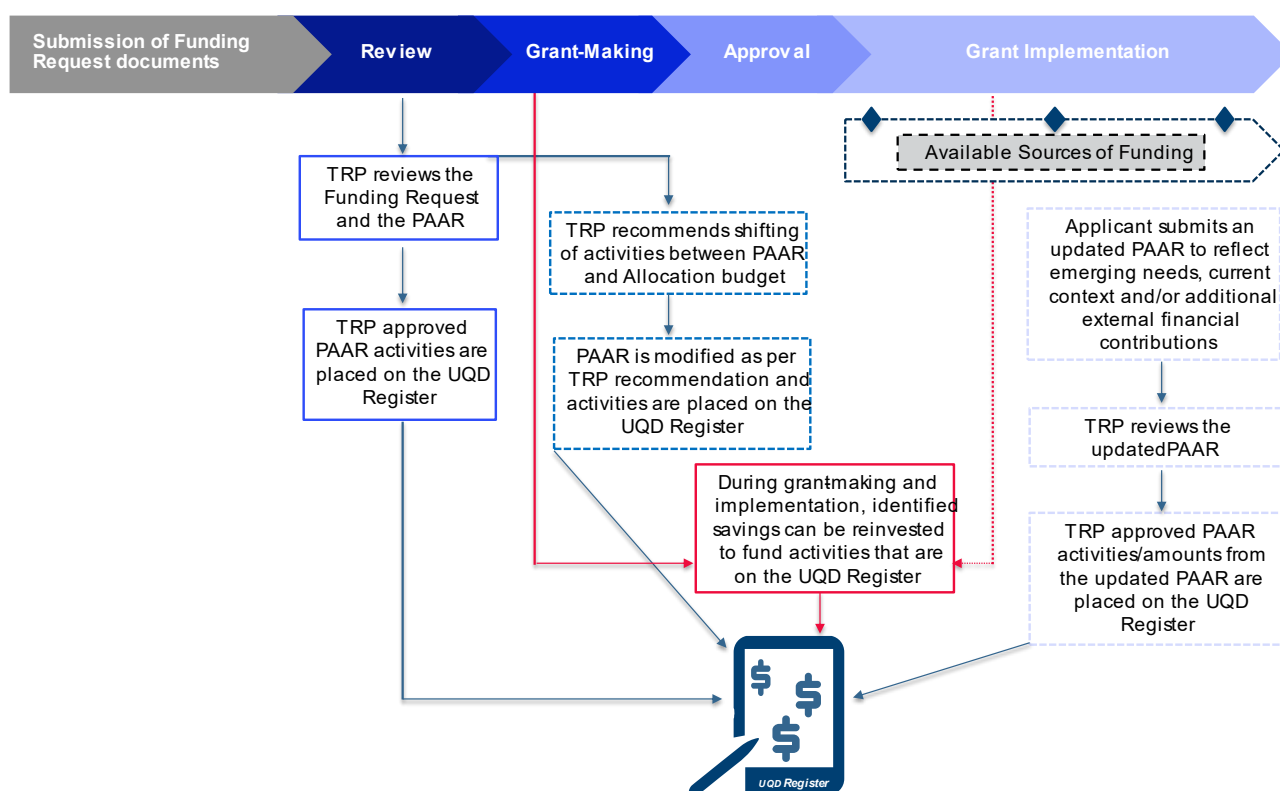
44. As part of the Global Fund's commitment to strengthen the role of civil society and the private sector in the processes of the Global Fund, CCMs are encouraged to pursue a "dual-track financing" approach in nominating Principal Recipients at the time they submit their Funding Request to the Global Fund. Dual-track financing refers to channeling of funds through two "tracks": government and non-government sectors, if feasible within the prevailing context.
45. **Sub-recipients:** The Principal Recipient selects Sub-recipients in consultation with the CCM as early as possible during funding request stage, based on a transparent and well-documented process, and oversees the implementation of activities undertaken by Sub-recipients. Sub-recipients are generally selected amongst national entities who typically are already involved in the response to HIV, TB and malaria. To maximize program effectiveness, particularly among most affected communities, Principal Recipients are encouraged to select community-led organizations (CLO) – including those led by key and vulnerable populations – and community-based organizations (CBO) as Sub-recipients, provided they have appropriate capacity.<sup>87</sup> In all cases, the Principal Recipient remains fully accountable for the performance of Sub-recipients. Principal Recipients are expected to restrict the number of Sub-recipients to that which is reasonable to achieve maximum impact of the program and prudent management of grant funds. The use of a restricted number of Sub-recipients avoids unnecessary transaction and management costs and provides stronger assurance and oversight.
46. Capacity assessment and Integrity Due Diligence (IDD) for Principal Recipients and Sub-recipients are undertaken in accordance with the [OPN on Risk Management](#), and where applicable, with the [OPN on Additional Safeguard Policy](#).

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<sup>87</sup> Principal Recipients are strongly encouraged to pursue result-based contracting arrangements with CLOs/CBOs for key programmatic areas including (but not limited to) HIV prevention for key and vulnerable populations; community-based treatment; community-based TB/DR-TB care; ITN distribution; community system strengthening (including community-led monitoring); and reducing human rights and gender-related barriers. Applicants are reminded that activities to strengthen CLO/CBO capacity may be included in Funding Requests through the RSSH: Community Systems Strengthening module in the [Modular Framework Handbook](#).

## Annex 5. Update the PAAR

47. The PAAR is a required document submitted and reviewed in conjunction with the funding request<sup>88</sup>. Before completing the PAAR, applicants must ensure that the most critical modules and interventions for their program are covered within the allocation amount. The TRP reviews the PAAR and determines which part of it constitutes UQD. These activities are included in a public UQD register for potential future funding.
48. Throughout grant implementation, the Global Fund Secretariat may allow or request applicants to submit an updated PAAR. The graph below shows an overview of the PAAR process:



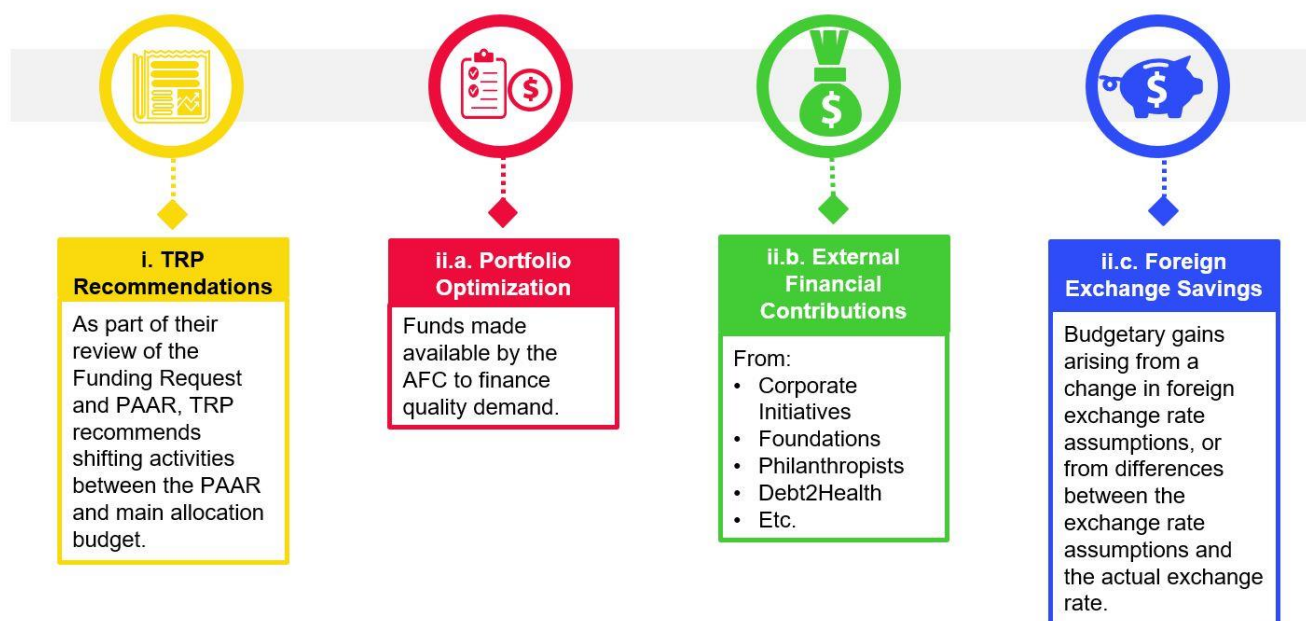
49. PAAR updates can be triggered by any of the following instances:
- PAAR update due to TRP recommendations
  - PAAR update due to sources of funding becoming available:
    - Portfolio optimization<sup>89</sup>
    - External financial contributions<sup>90</sup>
    - Foreign exchange savings<sup>91</sup>

<sup>88</sup> In the case of a Funding Request that partially or fully incorporates Payment for Results, applicants are requested to still submit an input based PAAR. If interventions on the PAAR are able to be funded (through savings, portfolio optimization or external funding) these input based interventions can be converted with agreement of the Global Fund Secretariat to outputs through a Pfr mechanism.

<sup>89</sup> For more information, please refer to the [Guidance on Portfolio Optimization](#).

<sup>90</sup> For more information, please refer to the [Framework on Private Sector Engagement](#) and [Policy on Restricted Financial Contributions \(PRFC\)](#).

<sup>91</sup> For more information, please refer to the [Guidelines for Grant Budgeting](#).



50. Updates to the PAAR<sup>92</sup> consist of i) activities shifted between the PAAR and the main allocation budget; ii) new activities that were not included in the initial PAAR request and consequently were not reviewed and approved by the TRP and added to the UQD register for the funding cycle or, ii) increases to the initial amount recommended for interventions/activities that are already on the UQD register.

51. PAAR updates require CCM endorsement. Endorsement must be provided by: (i) the CCM Chair and (ii) the civil society representative if the CCM Chair is the representative of the Government, or the representative of the Government if the CCM Chair is the representative of civil society. With respect to endorsement by the CCM Chair, in the absence of the CCM Chair, endorsement by the Vice Chair is acceptable if in line with the CCM's governing documents.

<sup>92</sup> UQD updates should not be confused with "PAAR iterations" i.e. PAARs that were not recommended by the TRP and where the applicant needs to submit a new revised PAAR for TRP review and recommendation for the activities to be approved and placed on the UQD.

## Change History

Version No.	Approved by	Change Description	Approval Date
1.0	EGMC	Comprehensive update to reflect changes relevant to the 2023-2025 allocation period (Grant Cycle 7) and emanating from the 2023-2028 Global Fund Strategy.	12 January 2023
1.1	EGMC	Update of process metrics and alignment with the Payment for Results Information Note.	15 November 2024