

New Global Fund architecture



Consolidating grants and simplifying funding applications

Since its creation, the Global Fund has attempted to evolve through modifications and improvements to better serve the recipients of its grants. Under the initial system, annual funding rounds resulted in a 5-year proposal turning into a grant of 2+3 years, with continued funding in the second period dependent on performance in the first. Each newly approved proposal turned into one or more individual grants, so countries that were repeatedly successful in their applications over multiple years found themselves managing multiple grants in the same disease area, each with their unique reporting, disbursement and review periods.

Because of this, it was widely felt that the existing Global Fund grant architecture had become too complex and too difficult to manage – both for country implementers and for the Global Fund Secretariat – and so in an effort to simplify and strengthen the grant lifecycle model, the Global Fund has developed a new grant architecture which consolidates grants into one single stream of funding per principal recipient, per disease. The changes will simplify grant management, both for recipient countries and the Secretariat, while at the same time strengthening performance-based funding, improving alignment and harmonisation at the country level, and supporting the scale-up of funded programmes to achieve greater impact.

For the many countries which have expressed an interest in consolidating grants, 2010 marks the start of a significant transition period, during which Global Fund grants will be consolidated into single streams of funding per principal recipient, per disease, resulting in significantly reduced reporting burden, with reporting and financial commitments better aligned to in-country reporting and fiscal cycles, and a move towards a more programme-based approach. Consolidation is voluntary and country implementers are responding positively to the new grant architecture and the benefits it promises. Training, guidance and country-tailored support are being provided to ensure consolidations run smoothly.

Single stream of funding per principal recipient per disease

A single stream of funding means that a principal recipient will have one funding agreement with the Global Fund per disease being managed. The single stream of funding will bear some similarities to existing grants:

- the rating accorded is based on performance criteria;
- submission of periodic progress updates and disbursement requests remains a requirement;
- intensive periodic reviews (previously called 'Phase 2 Reviews', now referred to as 'periodic reviews') will continue to take place.

Periodic programme reviews

A key difference, however, between existing grants and the new single stream of funding is related to funding commitments over time. Existing grants have funding commitments of 2+3 years (or 3+3 years in the case of Rolling Continuation Channel grants), while single streams of funding will have fixed regular commitment cycles of up to 3 years, which remain unchanged by the introduction of new funds. The duration of these commitment cycles will be set by countries based on the timing of their fiscal cycles, their periodic reviews, and the length of their approved proposals.

Access to new funds

The Global Fund is also implementing significant reforms in the way funding systems are accessed. For Round 10, a revised proposal form and guidelines will facilitate the new consolidated proposals approach, which will assist countries during the shift from the current grant and principal recipient approach to a more holistic, programme-based resource planning approach. They will also provide the primary means of maintaining single streams of funding per principal recipient and per disease over the long term. Consolidated proposals will be the default mode for applications in all future Rounds. In addition, a major redesign of the current application system will result in a more simplified proposal process, and will facilitate a more explicit link between past programming and performance and future funding requests.

For any questions or further information on the new grant architecture, please contact the Architecture Implementation Project Management Team at: ARCinbox@theglobalfund.org.



A woman displays her new long-lasting insecticide-treated bednet, Gambia

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	Old grant architecture	New grant architecture
Grant agreement	<ul style="list-style-type: none"> • Multiple, standalone funding agreements per principal recipient (PR) per disease • Funding commitment period varies: 2 years for Phase 1, 3 years for Phase 2 	<ul style="list-style-type: none"> • One funding agreement per PR per disease (single stream of funding) • Fixed, up to 3-year, funding commitment periods (Phase 1, Phase 2, Phase 3, ongoing) aligned with national cycles
Performance-based funding	<ul style="list-style-type: none"> • Phase 2 review after 18 months of implementation • Phase 2 reviews tied to individual grants • Timing of review often too early in implementation to incorporate critical outcome/impact survey information 	<ul style="list-style-type: none"> • Periodic reviews based on up to 3 years of implementation • Periodic reviews of the full Global Fund-financed portion of the programme • Longer review periods will allow for more complete review of outcome/impact information
Access to new funding	<ul style="list-style-type: none"> • Time-consuming proposal process • Unpredictable and Global Fund-specific timing of rounds-based calls for proposals • Fragmented, project-style proposals 	<ul style="list-style-type: none"> • Simplified and streamlined application process • Greater flexibility to align to in-country planning/fiscal cycles • Shift towards a national programme approach for planning



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Women and children are given priority for bednet distribution, Gambia