



# The Global Fund

To Fight AIDS, Tuberculosis and Malaria

## Transition Manual For the New Funding Model of the Global Fund

### Summary

The Global Fund is changing its funding model. The new model will change the way the Global Fund assesses, approves, disburses, and monitors grants to increase successful applications, improve implementation, and ultimately achieve greater impact. The new model will increase engagement between applicants and the Global Fund and provide implementers with more flexibility, predictability, and clarity.

In 2013, the Global Fund is launching the new funding model (NFM) with a select group of applicants. The early applicants will create new grants through the NFM in order to receive additional funding. Unfunded quality demand from concept notes will be placed in a register to be funded when new resources become available. The interim applicants will receive additional funding only through existing grants. Both will test elements of the NFM, allowing Global Fund staff to make refinements. All other applicants (known as standard applicants) should use 2013 to prepare their full expressions of demand through costed, prioritized National Strategic Plans (NSPs) and begin to craft elements of their concept notes so that they are ready to apply for funding following the Replenishment Conference in late 2013.

The new funding model includes seven steps:

1. Strengthening of national strategic plans
2. Alignment of the Global Fund's process to existing country dialogue
3. Design and submission of a concept note
4. Independent review of concept notes by the TRP
5. Determination of upper budget ceilings by the GAC
6. Grant-making
7. Approval of grants by the Global Fund Board

Feedback from stakeholders during the transition period of 2013 will help ensure the Global Fund effectively provides funds to those who need them most.

## INTRODUCTION

At its Twenty-Eighth Meeting, the Global Fund Board approved key elements of the new funding model (NFM) (GF/B28/DP4), and agreed to launch a transition immediately (GF/B28/DP5). During 2013, the Global Fund is starting the new funding model (NFM) and will test and refine it throughout the year. A full implementation of the model will take place following the Global Fund's Replenishment Conference in late 2013.

The purpose of this document is to provide an overview to in-country actors of how the NFM will work in the transition phase. It aims to assist Country Coordinating Mechanisms (CCMs) and key stakeholders in planning for the transition, and to set expectations about the processes.

This document has four parts:

- **Part 1: Introduction to the new funding model** describes the key objectives and features of the new funding model;
- **Part 2: Overview of the transition to the new funding model** explains how the transition applies to different groups of applicants and existing grants;
- **Part 3: Guide to the new funding model's processes** describes what will happen during the transition, including the steps experienced by each type of applicant; and
- **Part 4: Monitoring the transition** explains how the Global Fund will learn from the transition phase.

The appendices contain more detail on the tools and user guides available to help applicants and partners in the transition process:

1. Accessing Technical Support for the Development of National Strategic Plans
2. Guidance and Information Notes on Developing Funding Requests
3. Eligibility of Country Coordination Mechanisms (CCMs)
4. The Global Fund's Minimum Standards for Implementers

Additional documentation as referenced throughout this manual is available on the Global Fund's website at <http://www.theglobalfund.org/en/accesstofunding/>.

## PART 1: INTRODUCTION TO THE NEW FUNDING MODEL

The new funding model changes how countries access funds and develop grants. It allows the Global Fund to invest more strategically, maximize its resources and achieve greater global impact by supporting the scale up of interventions and activities to defeat the three diseases.

The Global Fund Board established the following objectives for the NFM:

- Enhance participation by all stakeholders, including civil society, and support continued funding for most-at-risk populations (Objective 1);
- Bring greater alignment with country-level schedules, context, and priorities (Objective 2);
- Focus on countries with the highest disease burden and lowest ability to pay, while keeping the portfolio global (Objective 3);
- Keep the model simple for both implementers and the Global Fund (Objective 4);
- Enhance predictability of process and financing levels, consistent with global accords in Paris, Monterrey, Accra, and Busan (Objective 5); and

- Elicit full expressions of demand and reward ambition, especially expressed through robust National Strategic Plans (Objective 6).

The new funding model incorporates several new features that fundamentally change the way applicants apply for and receive grant funding and then manage their grants.

These new features are summarized below:

- **Flexible timeline:** Eligible countries can apply at any point during the three year allocation period so that funding aligns with national budgeting cycles and country-specific demands.
- **Simplified application process:** A concept note, rather than a lengthy application, begins the process of applying for a grant.
- **Improved predictability of overall process:** Early feedback aims to reduce waiting time and improve the overall success rates of applications. Early discussion of indicative funding provides more predictability.
- **Enhanced engagement:** The Global Fund engages in ongoing country dialogue with a focus on multi-stakeholder participation, prior to Board approval of grants.
- **Improved predictability of funding:** Instead of the "Rounds" system where countries competed for funds, applicants know how much funding they may receive for indicative funding and compete only for incentive funding.
  - Indicative funding: An indicative funding amount is derived from an allocation formula for each country and communicated to applicants up front.
  - Incentive funding: A separate reserve of funding will reward high impact, well-performing programs and encourage ambitious requests.
  - Unfunded quality demand: Countries are strongly encouraged to submit ambitious concept notes. Funding requested through a concept note which is considered technically sound by the Technical Review Panel (TRP) but above the funding amount available (indicative funding and any additional incentive funding awarded) is registered for possible funding by the Global Fund or other donors when new resources become available.

## PART 2: OVERVIEW OF THE TRANSITION TO THE NEW FUNDING MODEL

The transition is taking place through 2013 and aims to accomplish the following:

- Target immediate funding needs and make investments to achieve the greatest impact;
- Test critical elements of the NFM and make refinements prior to the full roll-out;
- Build support, engagement, and understanding for the NFM among in-country actors and other stakeholders; and
- Identify conflicting policies and Decision Points previously approved by the Global Fund's Board, and allow for any required revisions.

Most recipients of current Global Fund grants will start to implement some elements of the NFM during 2013. A selection of disease programs within countries will be eligible to receive uncommitted assets the Global Fund's Finance and Operational Performance Committee (FOPC) approved for commitment in 2013 and 2014.

### Three categories of applicants

During the transition, applicants currently eligible for Global Fund funding fall into one of three categories, as illustrated in Figure 1. The first category, the early applicants, is for

applicants in countries that are eligible for new funding during the transition and will use the full NFM process. They access the money by submitting a request for a new grant using a concept note. The second category, the interim applicants, is for applicants in countries also eligible for new funding in 2013, as supplements to or renewals of existing grants. The third category, the standard applicants, is for applicants that should use the transition to put in place the measures to prepare for accessing funding once the full NFM begins in late 2013 (e.g., by strengthening their national strategies and by starting or reinforcing the country dialogue process).

Type of applicant	Timing for next available new funding	Mechanism for funding	New funding model elements tested
<b>Early applicants</b>	<ul style="list-style-type: none"> <li>Transition phase; from Q1 2013 through to end of Q3 2014</li> </ul>	<ul style="list-style-type: none"> <li>New grant; requires concept note</li> </ul>	<ul style="list-style-type: none"> <li>Allocation methodology</li> <li>Country dialogue</li> <li>Concept note</li> <li>Technical Review Panel (TRP) review</li> <li>Incentive funding</li> <li>Grant-making</li> </ul>
<b>Interim applicants</b>		<ul style="list-style-type: none"> <li>Existing grants:               <ul style="list-style-type: none"> <li>Reprogramming</li> <li>Renewal</li> <li>Extension</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Parts of allocation methodology</li> <li>Country dialogue</li> <li>TRP review where applicable</li> </ul>
<b>Standard applicants</b>	<ul style="list-style-type: none"> <li>From 1 January 2014 (start of 2014-2016 Replenishment)</li> </ul>	<ul style="list-style-type: none"> <li>New grant; requires concept note</li> </ul>	<ul style="list-style-type: none"> <li>During the transition:               <ul style="list-style-type: none"> <li>Country dialogue</li> <li>Strengthening PR and CCM capacity</li> </ul> </li> </ul>

Figure 1: Three distinct categories for applicants in the transition

Global Fund staff selected the early and interim applicants in line with Board Decision Point GF/B28/DP5. The selection criteria are whether disease programs are positioned to achieve rapid impact, facing essential service interruptions from 2013 up to the end of September 2014, or currently “under-allocated” in 2013 and 2014. Disease programs are considered “under-allocated” if their current Global Fund commitments for 2013 and 2014 are less than the “theoretical” amount of funding they would receive under the new funding model’s allocation formula. The Secretariat also selected a group that is diverse in terms of geography, disease, disease burden and nature of the epidemic (such as targeting most-at-risk populations), proposal type (CCM, regional or non-CCM), and performance.

For the transition, the Global Fund is allocating available funding to applicants based on the following factors:

1. The degree to which countries are “under-allocated” compared to amount of funds they should have received according to their disease burden (in each of the three diseases); and “ability to pay” (measured by a country’s Gross National Income *per capita*) over the period 2013 and 2014; and
2. The application of a series of qualitative factors designed to ensure the allocation adjusts for the specifics of each situation. Qualitative factors include: major sources of external financing from other donors; if necessary, a transitional provision to ensure the Global Fund’s financial commitments do not fall below a minimum required level in 2013-2014; past performance and impact; absorptive capacity;

"willingness to pay"; risk mitigation; and increased infection incidence in low prevalence countries. The application of these factors may result in adjustments to the indicative funding amounts available to applicants.

Applicants participating in the transition because of the risk of service interruptions, receive an indicative funding allocation to finance, at the same scope and scale as at the time of service interruption, the continuation of essential prevention, treatment and/or care services and activities currently financed by the Global Fund (Essential Services and Activities) at least until the end of September 2014.

As with the Transitional Funding Mechanism (TFM), the CCM must demonstrate it cannot reprogram existing grants or identify alternative sources of funding (domestic or from other donors) to mitigate the interruption. Additionally, Essential Services and Activities are broader than services or activities funding under the Continuity of Services Policy (CoS).

CCMs invited to apply for funds during the transition are not obligated to accept. However, until the full roll-out of the NFM, the Global Fund will only distribute new funding through the transition process. The Global Fund strongly encourages all applicants, early and interim as well as standard applicants with renewals in 2013, to consider how they can achieve maximum impact with their available Global Fund funding.

### **Early applicants**

Early applicants are eligible for funding starting in 2013 after they receive a formal invitation to participate in a process to develop new grants. Those invited will have access to an estimate of their allocated funds from the 2014-2016 period. Funding for 2015 and 2016 will be committed after the replenishment. Early applicants are the only ones eligible to receive incentive funding during the transition in addition to indicative funding. For the transition, the amount of funding communicated to early applicants will be incremental to existing Global Fund funding.

Following the selection of early applicants in February 2013, the Global Fund Secretariat will invite them to develop a concept note to request new funding. It will also inform potential applicants of the amount of funding allocated to them, and explain how competition for incentive funding will work. Early applicants are encouraged to make an ambitious request based on their full expression of demand and will receive strong support to assist them in developing an ambitious request (see Appendix 1). The Global Fund will capture the unfunded quality demand from early applicants in a register so that funding can be provided in the future. CCMs of early-applicant programs are expected to use most elements of the NFM, and to provide feedback to assist the Global Fund's learning and refinement of the NFM process.

Following submission, the Secretariat and Technical Review Panel (TRP) will have one to two months to review concept notes. Unfunded quality demand identified by the TRP will be captured and put into a queue. Funding requests that move to grant-making could be signed anywhere between two and eighteen months later, depending on the implementation capacity of the Principal Recipients (PRs) and the complexity of the grant negotiations.

### **Interim applicants**

Interim applicants are also eligible for indicative funding starting in 2013. For the transition, the amount of funding communicated to interim applicants will be incremental to existing Global Fund funding. Financing they receive in 2013 will not affect their CCM's amount of funding allocation from the 2014-2016 period. However, any funding these applicants might

receive in 2014 will be subtracted from their CCM's 2014-2016 allocation. In neither case will interim applicants be eligible for incentive funding prior to the next replenishment period.

The Global Fund will provide funding to applicants in this category throughout the transition period, but the timing of decisions and disbursements will depend upon existing grant cycles. Wherever possible, interim applicants will be invited to request additional funding through existing mechanisms (i.e., renewals, grant extensions, and reprogramming during grant implementation). Existing Operational Policy Notes and Guidance documents will be revised in the coming months to fully reflect the new funding model. The Secretariat will work closely with interim applicants to provide them with relevant guidance during their transition.

Interim applicants will experience some elements of the new funding model, such as the allocation formula and country dialogue and will be asked to provide feedback. Interim applicants will be eligible to apply for funds in the 2014 – 2016 period as standard applicants by submitting a concept note for a new grant.

## Standard applicants

The rest of the currently eligible recipients of Global Fund grants will be standard applicants. They may prepare for upcoming funding opportunities after 2013. In general, CCMs should continue and/or expand their technical discussions with key stakeholders, including the Global Fund Secretariat, bilateral and multilateral donors, technical partners, civil-society organizations (including key affected<sup>1</sup> and most-at-risk populations<sup>2</sup>) and other partners, around the goals and implementation arrangements for their national strategies and disease programs. The Global Fund expects the majority of countries to have costed and prioritized national disease strategies which are aligned with national health sector strategies by the 2017 - 2019 replenishment period if they are not able to complete them by this replenishment. Where needed, governments and their partners are further encouraged to update their National Strategic Plans (NSPs) based on normative guidance provided by technical partners (See Appendix 1: Accessing Technical Support for the Development of National Strategic Plans). CCMs should review eligibility requirements for themselves and the Global Fund's Minimum Standards for PRs, to assess potential issues and make any necessary improvements before 2014. Global Fund Information Notes and guidance on CCM eligibility and Minimum Standards are available to all applicants. See Appendices 2, 3 and 4, respectively.

## Implications of the transition for existing Global Fund grants

Some elements of the NFM affect all implementers of Global Fund grants in 2013, including the following:

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<sup>1</sup> The definition in the CCM guidelines defines key affected populations as: women and girls, men who have sex with men, transgender persons, people who inject drugs, male and female and transgender sex workers and their clients, prisoners, refugees and migrants, people living with HIV, adolescents and young people, vulnerable children and orphans, and populations of humanitarian concern. In addition to these groups: internally displaced persons, indigenous persons, people living with TB and malaria and people working settings that facilitate TB transmissions should also be considered as key affected populations.

<sup>2</sup> For the purpose of the transition to the new funding model (GF/B28/DP5), most-at-risk populations are defined as subpopulations, applying to HIV/AIDS, malaria and tuberculosis, within a defined and recognized epidemiological context:

- 1) That have significantly higher levels of risk, mortality and/or morbidity;
- 2) Whose access to or uptake of relevant services is significantly lower than the rest of the population; and
- 3) Who are culturally and/or politically disenfranchised and therefore face barriers to gaining access to services.

- A risk-differentiated approach to grant management;
- Annual disbursement decisions for most grants; and
- Implementation of a cross-organizational Assurance Framework with on-going monitoring.

As part of this process, CCMs and PRs can expect direct collaboration with Country Teams at the Global Fund Secretariat, and a customized approach to grant management and monitoring. FPMs are reaching out to implementers in 2013 to provide more information on the impact of these changes on each program.

But, several principles of the Global Fund's existing grants and new grant architecture remain the same. Programs that have not yet transitioned to single streams of funding are still encouraged to consolidate their existing grants per PR per disease when they transition to the NFM. Renewals of existing grants for standard applicants will proceed as scheduled during the transition period and follow current procedures. Interim applicants can add new funding as part of the renewals process in 2013 and 2014. All recipients of funding from the Global Fund should continue to think strategically about existing grants. Opportunities to reprogram existing grants should be considered and implemented where appropriate following the Global Fund's operational policy on Reprogramming (the Operational Policy Note on changes to scope and scale of performance frameworks).

The process the Global Fund Board has established for determining overall country eligibility, in accordance with the Eligibility Criteria, Counterpart Financing and Prioritization of Proposals for Funding Policy (ECFP)<sup>3</sup> will not change in the transition. The Secretariat has updated the eligibility list for 2013 with the latest available data and it is available on the Global Fund website. Global Fund policies such as dual-track financing and CCM eligibility requirements remain in force. Counterpart financing and focus of proposal continue to apply according to the existing policy to all funding streams (indicative and incentive).

### **PART 3: GUIDE TO THE NEW FUNDING MODEL'S PROCESSES**

The NFM allows the Global Fund to rebalance and manage its portfolio proactively, to focus investments on the interventions, in the countries and on the populations where it will have maximum impact. Its method of allocating funds is more flexible, and more aligned with the priorities and national strategies of applicants. The NFM is designed to provide applicants with more predictability, so they can plan their programs better and deliver greater impact.

The NFM includes seven steps, as described in Figure 2:

1. Strengthening of National Strategic Plans
2. Alignment of the Global Fund's process to existing country dialogue
3. Design and submission of a concept note
4. Independent review of concept notes by the TRP
5. Determination of upper budget ceilings by the GAC (Grant Approvals Committee)
6. Grant-making
7. Approval of grants by the Global Fund's Board

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<sup>3</sup> As adopted by GF/B23/DP23, and amended by GF/B25/DP16 and B25/ER/05.

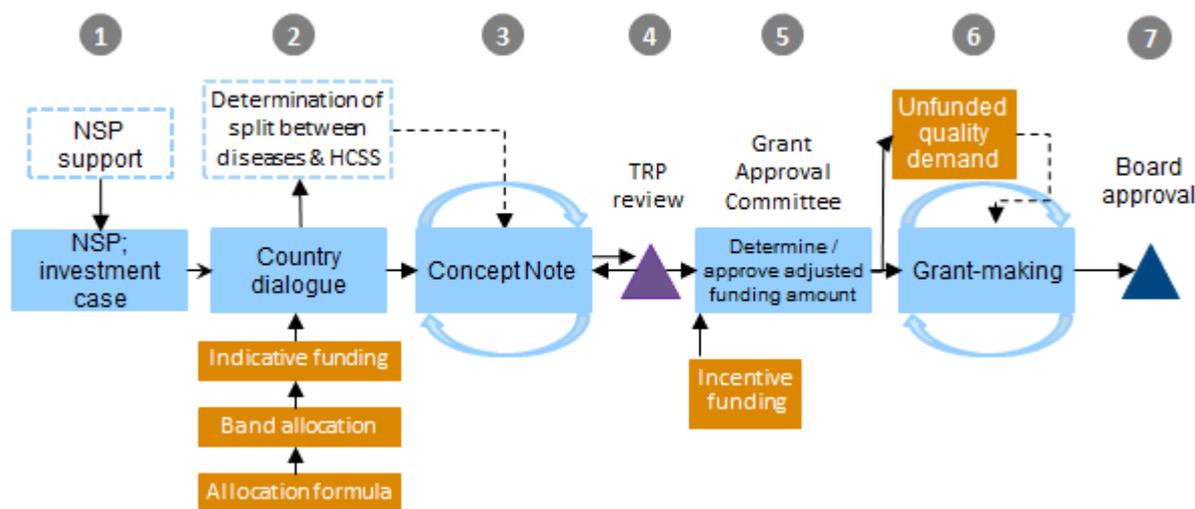


Figure 2: Application process for the NFM

Within each three-year allocation period, applicants apply for funding for each of the three diseases and cross-cutting health and community systems-strengthening (HCSS) for which they are eligible. Applicants are expected to examine and incorporate all funding provided by the Global Fund (both existing and new funds) into a concept note to the Global Fund that outlines their approach to achieve maximum impact against the three diseases.

In Step 1 (Strengthening of National Strategic Plans), countries develop or update costed, prioritized National Strategic Plans (NSPs) through an inclusive and evidence-based process or, where NSPs do not exist, a review process at the country-level. NSP development should build upon an extensive, multi-sectorial country dialogue between applicants, technical partners, donors (including the Global Fund), and civil-society organizations (including key affected and most-at-risk populations).

In Step 2 (Alignment of the Global Fund's process to existing country dialogue), Country Teams communicate to CCMs the indicative amount of funds for the diseases for which they may expect financing from the Global Fund during the three-year allocation period. This interchange during country dialogue results in:

- i. An estimate of the “full expression of demand” that the country has for the eligible diseases and HCSS;
- ii. A decision on the funding amount to be requested for each eligible disease program and cross-cutting Health and Community Systems Strengthening (HCSS) activities within the current three-year allocation period;
- iii. A funding request through a concept note(s);
- iv. An identification of the operational issues or improvements; and
- v. A view of the overall funding landscape and related funding gaps.

The country dialogue should be an open, transparent, and inclusive process which engages a broad range of stakeholders, including key affected and most-at-risk populations. When possible, it should take advantage of existing processes and channels of communication, and ensure it is inclusive while avoiding duplication. The "full expression of demand" is defined as the total amount of funding that is needed to finance a technically appropriate response that aims to achieve maximum impact against the diseases within a given country context.

In Step 3 (Design and submission of a concept note), which could happen at the same time as Step 2, applicants develop their concept notes and receive on-going input from technical

partners and operational guidance from the Global Fund's Country Teams. These inputs should improve the overall success rate of applications.

In Step 4 (Independent review of concept notes by the TRP), the applicants submit their concept note(s) according to their national planning and in-country cycle. Concept notes will be reviewed first by the Secretariat, then by the TRP. Applicants should submit their concept note(s) at least one month prior to the TRP review date to allow enough time for the Secretariat to review prior to the TRPs' assessment. Concept notes should include the full expression of an applicant's demand to compete for incentive funding. This additional amount rewards ambitious, high-quality expressions of full demand, based on robust NSPs or review processes at the country-level, and well-performing programs with a potential for increased, and quantifiable impact.

In Step 5 (Determination of upper budget ceilings by the GAC), once the TRP recommends a concept note for funding, the Secretariat compares funding demands against available financing and decides on the upper-ceiling for grant-making. The balance of the funding requested is placed into the register of unfunded quality demand for future consideration by the Global Fund and other donors should additional financing become available.

In Step 6 (Grant-making), the Secretariat enters into negotiations with CCMs and their nominated PRs to develop disbursement-ready grants to submit for approval to the Global Fund's Board. Other key stakeholders should be engaged in the process (such as other donors, civil-society organizations, and key affected and most-at-risk populations). The budget ceiling for the negotiations over these grants is the indicative allocation plus any incentive funding awarded. In this step, the Secretariat also maintains the register of unfunded quality demand.

In Step 7 (Approval of grants by the Global Fund's Board), the Global Fund Board approves disbursement-ready grants, after which the Global Fund signs the grant and funds are released to PRs.

The process time from submission of a concept note to Board approval will be highly variable. It depends on whether a program has a robust national strategy and a high performing PR. The end-to-end process could take between five and 24 months with a target of less than 12 months for the majority of applicants.

Part 2 is divided into 2 sections and describes the sub-set of steps from Figure 2 that apply to all applicants during the transition and then the additional steps that apply specifically to early applicants.

**Section A: Overview of steps applicable to all applicants during the transition:** This includes elements of Steps 1 and 2, such as the strengthening by countries of their national strategies, ensuring mechanisms are in place for inclusive and participatory dialogue, understanding how to improve the qualitative funding criteria, and gathering the information required to assess the performance of implementers and the areas for high-impact intervention.

**Section B: Overview of steps applicable to early applicants during the transition:** In addition to the steps all applicants undergo, early applicants find out about their indicative new funding in Steps 1 and 2, and experience Steps 3 to 7 of the NFM.

## Section A: Overview of steps applicable to all applicants during the transition

For all applicants, the NFM puts several critical mechanisms in place to increase the impact of the Global Fund's investments: encouraging the implementation of NSPs and ensuring an inclusive and participatory country dialogue. CCMs, together with partners and the Global Fund Secretariat, can also begin to plan for when they would like to apply for funding within the next Replenishment period from 2014-2016 and to craft elements of their concept notes.

### Step 1: Strengthening of National Strategic Plans

The relevant Government agencies in all countries, including standard applicants, are encouraged to develop and/or strengthen their National Strategic Plans (NSPs) based on recent program reviews and updated epidemiological data. CCMs in countries that have robust, fully costed and prioritized national disease and broader health-sector strategies will be able to proceed more rapidly towards receiving new financial support from the Global Fund.

To serve as the basis for Global Fund funding, NSPs must be developed through inclusive, multi-stakeholder efforts (including key affected and most-at-risk populations), aligned with international normative guidance. National disease strategies should be aligned with the national health sector strategies and developed in coordination across the three diseases. Countries are encouraged to apply a credible, independent, multi-stakeholder process that uses internationally agreed frameworks (i.e., the Joint Assessment of National Strategies [JANS] tool) to assess NSPs, or at a minimum, to have them reviewed by the appropriate technical partners. Governments and their partners are encouraged to use available technical-support mechanisms proactively for developing or updating national disease and health sector strategies and ensuring the availability and use of most recent evidence and epidemiological data to support this process. While the Secretariat will not be leading the development or evaluation of NSPs, it can support the process by connecting countries to technical partners and civil society, participating in consultations at the country level, and providing feedback on the performance of Global Fund grants. Brief summaries of available technical support and references to key documents are provided in Appendix 1.

In the absence of a robust NSP, applicants should conduct a review process, such as a program review or a country impact review, at the country-level to establish their prioritized full expression of demand. In the case of project-based applications, the scope of the review may be reduced to focus on key targeted interventions. This may require additional time to conduct a review process before applying for funding. Robust NSPs are not a prerequisite for a concept note during the transition. But, the majority of countries are expected to have robust and costed national disease strategies aligned with national health sector strategies by the 2017 - 2019 replenishment period if they are not able to complete them by this replenishment.

### Step 2: Alignment of the Global Fund's process to existing country dialogue

Country dialogue is a process that is country-owned and led. It involves stakeholders including CCMs, implementers, partners, donors, Governments, civil society, key affected and most-at-risk populations, and the Global Fund. This dialogue is on-going, aligned with existing country planning processes and cycles, and is not a Global Fund-specific process. Country dialogue often includes health-sector reviews and disease-program reviews which may result in revised NSPs. Country dialogue may also include discussions between donors on the strategic use of scarce resources. The CCM is the mechanism through which NSPs or, in the absence of a robust NSP, the output of a review process at the country-level, developed

during country dialogue are translated into funding requests to the Global Fund in a concept note.

In the NFM, the country dialogue will be enhanced to promote the consistent application and structured use of the Global Fund's partnerships across the whole portfolio. The dialogue will continue to help prioritize high-impact interventions for Global Fund funding while diagnosing human rights barriers and developing a plan to address them. In addition, the dialogue ensures requests for financing align with national strategies and cycles and reviews elements of the NFM, including indicative funding and program split. Program split refers to the split of indicative funding between the three eligible diseases (HIV, malaria, TB) and cross-cutting HCSS.

To help prepare concept notes and other requests for assistance from the Global Fund, the country dialogue builds upon on-going discussions between the Global Fund and its implementers. It should be an open, transparent, and inclusive process which engages a broad range of stakeholders including civil society, particularly key affected and most-at-risk populations, and marginalized groups, in all elements of the dialogue process and concept note development. It focuses on the following elements:

### General elements

- i. **Disease, health-sector and human rights landscape:** Forging a common understanding of a country's disease, health-sector landscape and its strategic investment opportunities based on the best-available evidence, including discussion of human rights and gender equity;
- ii. **Program reviews:** Conducting program evaluations and other research to determine outcomes and impact of programs including capacity assessments of health and community systems to deliver services; and
- iii. **Partner and Global Fund investments:** Identifying where funding gaps are, based on other funding sources, and determining what eligible components to include in a request to the Global Fund for financing.

### Elements for Global Fund concept note creation (applicable for early applicants during the transition and discussed in Section B)

- iv. **Process and timelines:** Ensuring a properly functioning CCM including the meaningful involvement of all relevant stakeholders (especially key affected and most-at-risk populations). Key actors agree on the ideal timeline for concept note development and submission based on national strategy and in-country cycles;
- v. **Indicative funding:** Discussing the qualitative factors that can change a country's indicative funding allocation from the Global Fund (such as level of risk and risk-mitigation measures, and a domestic Government's willingness to pay to absorb program costs over time);
- vi. **Program split:** Determining the split of the indicative funding between the eligible diseases (HIV, malaria, and TB) and cross-cutting HCSS activities in future Global Fund grants; and
- vii. **Performance and implementation arrangements:** Discussing past performance candidly in light of risk-assessments and the Global Fund's Minimum Standards, and agreeing on changes that enhance future Global Fund grants.

The sections below describe the first three of these elements, which all countries should undertake in 2013:

### i. Disease, health-sector and human rights landscape

It is important to reach agreement on a country's current disease and health-sector landscape before preparing a concept note. This could take place during country-led health and/or disease-program reviews, and includes at least three crucial steps:

1. Reviewing the latest epidemiological evidence and impact trends, especially regarding “hot spots” or areas and specific populations of the greatest transmission of the three diseases. If such information is not available, the Global Fund will work with technical partners and countries to ensure such information can be developed;
2. Reviewing the latest evidence on health/community systems, to identify and prioritize common system-related needs across various disease programs; and
3. Assessing whether there is an enabling legal and policy environment for the response to the three diseases (including existing laws and policies as well as their implementation), diagnosing areas that require targeted programming and developing a plan to address those areas.

## ii. Program reviews

A disease or health program review is an important input into the development of a concept note for the Global Fund. It ensures the concept note is based on current information from ongoing country reviews, and targets gaps that prevent a program from achieving impact. In-country reviews should evaluate disease outcomes and impact, review program progress, and provide practical recommendations on where a country can invest to achieve the greatest impact.

Program reviews should build on existing reviews of the country disease and health programs, and guidance from technical partners. They should also be consistent with the evaluation approach that the Global Fund's Technical Evaluation Reference Group (TERG) recommends. The review should answer the following primary evaluation questions:

- Has there been an increase or decrease in disease mortality, morbidity, incidence or prevalence?
- Has there been an improvement or deterioration in outcomes and behaviors?

A program review should also answer the following questions when possible to assess contributions and causation along the evaluation chain:

- Has there been an increase in coverage of key intervention services, and have these reached groups at risk?
- Has access by age, sex, equity and quality of key intervention services improved?
- Have finances been disbursed for key services and contributors?
- Was there sufficient quality data to detect the effect of an increase in service coverage and quality on disease burden? What were the sources of bias?
- What was the Global Fund's contribution in the scale up of resources, increase of coverage of key intervention services, improvement of service quality and outcome? What were the other competing explanations and hypotheses of changes in outcomes and impacts, positive or negative?
- How can contributions of the Global Fund be improved to better contribute to outcomes and impact? What are the management recommendations?

Program reviews should occur regularly and can be supported by funds from Global Fund grants subject to the terms of the approved budget and workplan. The review should evaluate the entire country program, not just the activities supported by the Global Fund, and make recommendations for how financing can be better targeted to achieve outcomes and impact. It should also be based on an assessment of data quality and analysis of existing data, including disaggregation by time, person (i.e., gender and age) and place. Where a full

program review is not feasible, an impact analysis with partners of the program should be conducted.

### iii. Partner and Global Fund investments

The coordination of Global Fund resources with those of national disease programs and other donors is a powerful way to ensure a comprehensive response against the three diseases. During the country dialogue, the CCM should work together with donors and the Government (i.e., the Ministry of Finance) to do the following:

1. Map which donors and domestic resources are paying for which programs, in what amount, in which parts of the country;
2. Identify gaps in funding for the three diseases and HCSS activities;
3. Create a consensus around which interventions and activities to prioritize for potential Global Fund funding (The Strategic Investment Guidance from Technical Partners and the Global Fund Information Notes on Strategic Investments should steer this discussion; See Appendix 2); and
4. Develop a plan to fill the funding gaps.

## Section B: Overview of additional steps applicable for early applicants during the transition

Early applicants will test most elements of the NFM, including the submission of concept notes. Building on Section A, this section describes how early applicants will experience the process: Step 2: country dialogue (Part 2), Step 3: concept note, Step 4: TRP review, Step 5: GAC review, Step 6: Grant-making and Step 7: Board approval.

### Step 2: Alignment of the Global Fund's process to existing country dialogue

#### iv. Process and timelines

The Chair and Vice-Chair of the CCM will be asked to propose the process for undertaking country dialogue and creating a concept note, or to nominate a member of the CCM to do it. The proposed process will be shared with CCM members and the Secretariat for comments and final approval by the entire CCM. Each of the following elements should be included:

- *Identify key discussions:* The CCM will be asked to identify the areas where discussions are needed and planned events where these discussions can take place.
- *Set timeline:* Another important decision is when to submit a concept note for each disease program, and HCSS if relevant. The CCM should consider the optimal timeline to align new resources from the Global Fund with national strategies and planning processes and to consolidate existing grants. The CCM must also factor in sufficient time for iterations of the concept note with all CCM members, the reviews by the Secretariat and the TRP, and grant negotiations.
- *Define transparent process:* The CCM will be asked to agree, up-front, on how it will engage in the discussion of the program split and review the concept note before submission in a transparent and inclusive manner that involves all CCM members, especially civil society, key affected and most-at-risk populations. It will need to agree on the process to allow reviewers sufficient time to provide input, for example by setting a week for review at the outset. If they are not part of the CCM, key affected and most-at-risk populations (or their advocates), major donors and technical partners must be included in these discussions, given time to review the concept note before it is submitted, and potentially offered the opportunity to submit comments to the Secretariat along with the concept note.

- *Comply with the Global Fund's CCM eligibility policy:* The Secretariat will share a status update on each CCM's compliance with the Global Fund's CCM eligibility criteria. The status update will be based on information obtained at the time of the last annual assessment. The CCM must comply with CCM eligibility requirements 1 & 2 to submit its concept note to the Secretariat. If it does not, the Secretariat will work with the CCM on a case-by-case basis to define a credible plan for how the CCM will rapidly achieve them. If the CCM is unable to meet the eligibility requirements, solutions will be investigated and might include a non-CCM proposal.

## v. Indicative funding

The Global Fund Secretariat calculates an indicative funding allocation for the eligible diseases for each potential early applicant using the new allocation formula. After an early applicant agrees to participate in the transition, the applicant's FPM discusses with the CCM and other in-country stakeholders, the available indicative funding allocation and the qualitative factors that influence the level of indicative funding. The FPM also explains any changes to the qualitative criteria which could lead to adjustments to the indicative funding allocation. For the transition, the amount of funding communicated to early applicants will be incremental to existing Global Fund funding.

## vi. Program split

During country dialogue, applicants discuss how to split the indicative funding amount from the Global Fund between the eligible diseases and cross-cutting HCSS. The Secretariat communicates a program split for the diseases when it informs each CCM of its indicative funding allocation. The program split is based on the burden of HIV, tuberculosis (TB) and malaria as determined by the new allocation formula; sources of other external funding; and, in some countries, a transitional provision to ensure the Global Fund's financial commitments do not fall below the level of funding required to sustain essential services and activities over the allocation period. The indicative split for the three diseases will vary from country to country.

**Early applicant countries invited to apply during the transition are strongly encouraged to consider system-related needs across disease programs during the country dialogue process and request funding for cross-cutting Health and Community Systems Strengthening (HCSS).** Countries may request cross-cutting HCSS funding either as part of eligible disease program(s) or as a standalone cross-cutting HCSS grant with the exception of upper middle income (UMI) countries. Eligible UMI countries may apply for standalone cross-cutting HCSS funding only if they have a 'severe' or 'extreme' disease burden in at least one of the three diseases.

Countries should determine the amount of funding to allocate from their total funding allocation to cross-cutting HCSS based on country-specific needs. As a guide, historical allocation of funding for cross-cutting HCSS in the Global Fund portfolio is up to 15%. CCMs are expected to bring together the eligible disease programs (including PRs and national health authorities), HCSS stakeholders, technical partners, civil-society organizations (including key affected and most-at-risk populations) and Global Fund staff to discuss the following at the early stage of the country dialogue, before developing concept note(s):

1. Whether or not to apply for cross-cutting HCSS funding based on country-specific needs. If applying, the amount of funding to allocate to cross-cutting HCSS and whether or not the funding should be managed as a standalone HCSS grant or as part of an eligible disease grant(s);
2. The split between the eligible diseases; and

3. The high-level programmatic objectives of the concept note(s) and priority interventions.

If the applicant decides to adjust the communicated program split substantially, a justification will need to be provided by the applicant and approved by the Global Fund in advance of concept note development. A substantial adjustment is defined as a deviation of 10 percent or more of the overall country allocated amount (or of the overall country allocated amount minus cross-cutting HCSS if applying for HCSS). The CCM must submit an explanation prior to the submission of a concept note if it plans to deviate beyond this range. The Secretariat's Grant Approvals Committee (GAC), of which technical partners are non-voting members, will review and adjudicate.

## vii. Performance and implementation arrangements

The Secretariat provides information and tools to help CCMs and local stakeholders discuss the performance of previous and on-going grants from the Global Fund. The information and tools help shape what to ask for in a concept note, and how. All stakeholders must be engaged in discussing how to address the new data and any gaps that emerge from its analysis:

1. *Minimum Standards*: To avoid situations where implementers are advised late in the grant signing process of capacity gaps and grant agreements have many Conditions Precedent, the Global Fund has adopted a list of Minimum Standards that sets clear expectations around key implementers' capacity. See Appendix 4. CCMs should consider these Minimum Standards when proposing implementers for particular interventions. CCMs are further encouraged (although not required) to make a CCM assessment of nominated PR(s) against the Minimum Standards, and to submit this as part of the concept note(s).
2. *Performance and Impact Profile (PIP)*: This is a consolidated view provided by the Secretariat of each country's epidemiological information, latest progress on coverage, outcomes and impact at the program level, the performance of existing grants within the disease portfolio and an analysis of the current funding landscape. The profiles are produced by the Secretariat prior to the country dialogue based on available information. Country Teams will share the profile with in-country partners during the dialogue to validate the information based on new evidence or possible factual errors. The Secretariat will update these profiles once during a grant for most countries, and annually for countries that have a significant share of the global disease burden ("high impact" countries).

## Step 3: Design and submission of a concept note

In the third step, applicants develop concept note(s) through an open and transparent process with all relevant stakeholders. Applicants should take into account lessons learned regarding the national response to the diseases (including the latest data available on impact and outcomes). A template and instructions, as well as applicant specific documentation will be provided to applicants. Applicants will be strongly encouraged to articulate their "full expression of demand" that aims to achieve the maximum impact against the three diseases for the component(s) for which funding is being requested.

For the transition, the concept note consists of six sections:

1. *Overview section*: Summarizes applicant information, the funding request and program split (if applicable)

2. *Section 1:* How the application development process complies with CCM Eligibility Requirements
3. *Section 2:* An explanation of the country's epidemiological situation and the current legal and policy environment, and how the National Strategic Plan responds to the country disease context
4. *Section 3:* How existing and anticipated programmatic gaps of the National Disease Strategic Plan have been identified and costed
5. *Section 4:* How the funds requested will be strategically invested to maximize the impact of the response
6. *Section 5:* How the program will be implemented

The concept note template and instructions will be provided directly to early applicants during the transition and are available as a reference only on the Global Fund website. The concept note has been specifically designed for early applicants and will not be the final template to be used for the full roll-out of the new funding model. It will be revised to reflect feedback received during 2013. For questions related directly to the concept note template or instructions, applicants should contact [Accesstofunding@theglobalfund.org](mailto:Accesstofunding@theglobalfund.org) or [ATF@theglobalfund.org](mailto:ATF@theglobalfund.org).

### How to submit a concept note

- i. *Using online NFM portal:* CCMs submit their completed concept note(s) and all the corresponding annexes and supporting documentation online, by clicking the “Submit” button on the concept note overview page. The Access to Funding team and FPM will be able to access the final application directly through the platform.
- ii. *Not using online NFM portal:* CCMs submit their completed concept note(s) and all the corresponding annexes and supporting documentation to [Accesstofunding@theglobalfund.org](mailto:Accesstofunding@theglobalfund.org), with a copy to their FPM. In those cases where the applicant is a regional organization or a non-CCM, the applicant submits the concept note(s) directly to [Accesstofunding@theglobalfund.org](mailto:Accesstofunding@theglobalfund.org).

### Step 4: Independent review of concept notes by the TRP

As per Board policy, concept notes undergo rigorous review by both the Secretariat and the TRP. After submission, the Global Fund Secretariat checks the submissions to make sure the concept notes are complete and comply with the guidelines. The Secretariat also prepares its operational assessment to provide as input to the TRP. The TRP reviews the concept notes for technical soundness, while taking into account operational feasibility and makes a funding recommendation to the Secretariat's Grant Approval Committee (GAC). The GAC will determine, based on the TRP's recommendation, the final indicative and incentive funding amounts for each grant. Either the Secretariat or the TRP may request revisions for further review. Once the revisions are complete, the concept note will proceed to grant-making.

In the transition, the Secretariat may test different review modalities for the GAC and the TRP, to improve the process and optimize learning. Each element of the review and decision-making process is described below.

### Input provided to the TRP

The Global Fund Secretariat provides the following information to the TRP:

1. *The Secretariat's assessments* of the operational and programmatic aspects of each concept note;
2. *Data on the performance and implementation of previous Global Fund grants*, including recent program/portfolio reviews, analyses of progress towards impact, past performance and a preliminary assessment (including an equity assessment) of the proposed implementation arrangements; and
3. *Input from donors, technical partners and other stakeholders*, including information on national strategies and/or national program reviews and country contextual information (e.g., prevalence/behavioral surveys and other country/disease-specific contextual information, existing human-rights risks in the context of the three diseases, analysis of funding landscape).

As was past practice, the TRP can engage with technical partners on the latest normative guidance on the three diseases and HCSS, as well as have access to the guidance documents the Secretariat provided during the country dialogue (including, the pre-assessment, the latest epidemiological data and trends, as well as all other documents provided).

The Secretariat reviews the concept notes to ensure consistency of the inputs and analyses provided by CCMs, and determines the “readiness” of each concept note for TRP review.

### **TRP review and recommendation**

The TRP assesses each concept note based on the review criteria mandated by the Global Fund’s Board, including soundness of approach, feasibility of approach, potential for sustainability and impact, and value for money. The TRP then prioritizes the program elements in each concept note, and makes a funding recommendation for the following:

1. Program elements for the Global Fund to finance through the amount allocated as indicative funding; and
2. Program elements in the applicant’s submission whose costs are above the Global Fund’s indicative funding range but that merit financing should other resources become available.

To allow for faster feedback and clarifications and for more flexible timing for revisions/resubmissions, the outcome of the TRP’s review of the concept note will be one of the following:

- i. ***Proceed to GAC / grant negotiations:*** The concept note is technically sound, although the applicant might need to address some clarifications/make some adjustments with the Secretariat and / or TRP at a later stage;
- ii. ***Re-submit concept note:*** The concept note is on the right track, but the review raised significant concerns which the applicant should address before re-submitting to the TRP review prior to grant-making; or
- iii. ***Revise concept note:*** The concept note is not technically sound (e.g., the approach in the document is not epidemiologically appropriate, or could have limited impact). The applicant should develop and submit a new concept note.

The TRP provides technical feedback to the applicants, Country Teams, and partners.

The transition phase has two TRP review windows (April 2013 and August 2013), although more may be added if needed. One additional TRP review may occur in late 2013 for CCMs that want to submit a concept note immediately after learning their indicative funding amount for the 2014-2016 Replenishment period. In the case of resubmission/revision (ii

and iii), flexibilities allow an applicant to reapply at a later stage, with the exact timing dependent on the nature and extent of changes that are needed.

## **Step 5: Determination of upper budget ceilings by the GAC**

The TRP makes its funding recommendations to the GAC, which ultimately decides on the final funding amount (including any incentive funding awarded) going into grant making. To incentivize robust and ambitious requests, the Global Fund set aside a portion of the available funds as incentive funding for the transition phase for competition between early applicants. While not all early applicants will receive an award of incentive funding, all early applicants are eligible to request it.

The GAC decides on how the incentive funds will be distributed across early applicants, taking into account the recommendation of the TRP and other considerations, including to what extent the additional resources will accomplish the following:

- i. Allow the country to accelerate and reach the Millennium Development Goals (MDGs);
- ii. Leverage the mobilization of additional Government and/or other donor resources;
- iii. Reward good performance and progress towards impact; and
- iv. Constitute investment in Global Fund's strategic priority areas and/or interventions.

## **Step 6: Grant-making**

Each applicant will receive an official communication from the Global Fund Secretariat on the final funding amount recommended for grant-making, including the detailed assessments of the TRP and the Secretariat that form the basis for determining the budget ceiling for the grant.

During grant-making, PRs, the CCM and in-country partners will work closely with the Secretariat to ensure the implementation arrangements are in place *before* the Global Fund's Board approves each grant, so the program is implementable and "disbursement-ready." The Secretariat will assess and help strengthen the capacity of implementers (e.g., through funding technical assistance or capacity-building measures), in close consultation with knowledgeable partners. Only grants of a scale appropriate to each implementer's capacity will move forward.

The grant-making step includes three stages, described below:

- i. Work-planning;
- ii. Capacity and risk-assessments and responses; and
- iii. Development of integrated budget and performance template.

### **i. Work-planning**

The starting point for grant-making is a work plan, which defines the milestones, deadlines and responsible body for the grant-making negotiations through to Board approval. The relevant FPM, supported by the Country Team at the Secretariat, will work closely with the CCM, PRs and other partners to define a shared work plan for each grant. The work plan includes clear responsibilities for each key milestone at the agreed deadlines, including the following: finalizing the capacity and risk assessments including minimum standards check; completing grant documents; resolving outstanding issues up-front to ensure a grant is implementable; and ensuring that human rights and gender programming outlined in the concept note are fully reflected in the work plan to minimize the number of required conditions precedent. If not adequately engaged through the CCMs and PR, work-planning

should also involve in-country technical, bi-lateral, civil-society partners, and key affected and most-at-risk populations to clarify expectations of their roles.

## **ii. Capacity and risk-assessments and responses**

Early in grant-making, the country team, together with support from the LFA and other partners, undertakes a thorough implementation assessment to ensure each PR or sub-recipient has sufficient capacity to implement. If not, the Secretariat will put in place capacity-strengthening measures, or ask the CCM to identify alternative implementers and implementation mechanisms, where necessary. A grant should be appropriate to an implementer's capacity, so during negotiations if the Secretariat finds none of the options mentioned above are possible, it could reconsider the scale of a program to ensure implementation is feasible.

The Secretariat will ensure the risk and capacity assessment accomplishes the following:

1. Determine if capacities and systems of the nominated PR and significant SR in Finance, Monitoring and evaluation, Procurement and Supply Management and Governance and program management are adequate (e.g., meet the minimum standards) to implement the grant;
2. Identify and mitigate risks beyond the capacity of the PR(s) that could impede the effective implementation of the grant; and
3. Identify capacity-building and system-strengthening activities and/or alternative implementation arrangements to address gaps and risks.

The Secretariat's assessment builds on the CCM's own assessment, provided in the concept note, of the nominated PR(s) against the Global Fund's Minimum Standards. The risk and capacity assessments lead to decisions on accepting or rejecting the nominated PR(s); addressing any required capacity-building needs; and the possible outsourcing of certain implementation functions.

If a nominated PR lacks the capacity to implement a grant, or needs to order drugs or other health commodities before the grant is signed to avoid a stock-out, the Secretariat may choose to release preliminary funding for capacity-building, technical assistance and the early procurement of supplies, even while grant negotiations are still proceeding. Such funds would be debited against a disease program's indicative funding amount. FPMs will approach PRs if the early release of funds for capacity-building or early procurement of drugs or health products is recommended.

## **iii. Development of integrated budget and performance template**

The final stage of grant-making centers on the use of an integrated grant performance and reporting template that will help CCMs and PRs describe in more detail the TRP approved interventions, activities and budget. If not already identified during the country dialogue and captured in the concept note, the implementers will detail the specifications and quantify the level of effort per intervention and activity.

The close linkages between impact, output and coverage indicators for globally recognized interventions and activities simplifies how CCMs and PRs can report on actions over the life of the grant. These linkages ensure that bottom up budgeting aligns with the TRP approved interventions and activities as specified by the countries during country dialogue and in the concept note. This should reduce inefficiencies that result from multiple grant documents

and the inconsistent reporting of budget and performance. Each disease-specific program area is organized into clearly defined interventions, broken down into corresponding activities, linked to cost inputs, expenditure and its contribution to the grant's objective (i.e., outcomes and impact).

PRs will report on progress using the same template at a minimum of once a year, by intervention during implementation. This replaces reporting through the Enhanced Financial Reporting format.

### **Step 7: Approval of grants by the Global Fund's Board**

At the conclusion of grant negotiations, the Secretariat submits a completed grant, with a final budget and associated performance indicators and a grant-making work plan to the Global Fund's Board for approval. This package will also include the TRP's comments on the concept note, and justification by the Secretariat for any departure from the TRP's recommendation. To expedite the disbursement of funds, we expect the Board will approve grants in the transition to the NFM through a series of regular, electronic votes, similar to the process used for approving Phase II renewals in recent years.

## **PART 4: MONITORING THE TRANSITION**

A key feature of the transition phase is the ability to capture learning in real-time in order to make refinements during the transition and prior to the full roll-out of the NFM. The Global Fund will evaluate the transition period carefully to determine its success and identify improvements. Feedback is a critical element of this monitoring and it will require close collaboration between the Global Fund and CCMs, implementers, technical partners, other donors, people living with or affected by the three diseases, civil society, and other stakeholders.

Throughout the transition phase there will be several mechanisms in place that stakeholders can use to provide feedback, both formal and informal. These mechanisms will include:

- Short questionnaires to evaluate whether or not elements of the transition are working well. They will be administered at the completion of the different steps of the NFM, as applicable;
- Country visits by the Country Teams and additional Global Fund staff supporting the transition phase at key milestones in the NFM;
- Feedback directly to Fund Portfolio Managers (FPMs) or other Country Team members; FPMs will be in regular contact with applicants and implementers during the transition; and
- Feedback sent to the e-mail address; [NewFundingModel@theglobalfund.org](mailto:NewFundingModel@theglobalfund.org).

The Secretariat will consolidate feedback and report back to the Strategic Investment and Impact Committee (SIIC) of the Global Fund's Board on a quarterly basis, and used the lessons learned to refine the NFM in advance of the full roll-out. As such, the Secretariat encourages all stakeholders to provide candid commentary on the process.

### **Contact details**

If any questions or issues arise throughout the transition, your FPM should be your first point-of-contact. An e-mail inbox ([NewFundingModel@theglobalfund.org](mailto:NewFundingModel@theglobalfund.org)) provides a second avenue for identifying and addressing questions or concerns.

## APPENDICES

The appendices provide applicants with information they need to undergo the country dialogue, develop their concept notes and go through the grant-making process. These documents are targeted towards early applicants who will complete concept notes during the transition phase to the NFM.

The process as described here may be modified based on early learning from the transition phase ahead of the full roll-out of the NFM, later in 2013.

The Appendices contain the following elements:

1. Accessing Technical Support for the Development of National Strategic Plans
2. Guidance and Information Notes on Developing Funding Requests
3. Eligibility of Country Coordinating Mechanisms (CCMs)
4. The Global Fund's Minimum Standards for Implementers

## APPENDIX 1: ACCESSING TECHNICAL SUPPORT FOR THE DEVELOPMENT OF NATIONAL STRATEGIC PLANS

This appendix provides information on how Country Coordinating Mechanisms (CCMs) can find support for the development of National Strategic Plans (NSPs) by disease areas and on the Joint Assessment of National Strategies (JANS) tool.

### HIV/AIDS

There are several mechanisms to support the development of national-level strategies. The Joint United Nations (UN) Programme on HIV/AIDS (UNAIDS) and its co-sponsors have recently updated their guidance on national strategic frameworks, “The national HIV strategies and implementation for results: Guidance for 2015 and beyond,” scheduled for release shortly. This document provides tools to help CCMs develop convincing investment cases for national HIV programs. It also provides recommendations to help address the most difficult allocation choices and the prioritization of investments required for impact.

Other UN agencies provide critical technical inputs in key areas:

- The UN Children’s Fund (UNICEF) and the World Health Organization (WHO) as co-conveners of the Inter-Agency Task Team (IATT) for the prevention of HIV infections in pregnant women, mothers and their children; and
- The UN Population Fund (UNFPA) and the UN Development Programme (UNDP) for integration of HIV with reproductive, maternal, newborn and child health (RMNCH) and gender and human rights.

The WHO and UNAIDS have regional structures to support CCMs in developing or strengthening their NSPs, including regional and in-country offices, the regional support teams (RST) and the UNAIDS Technical-Support Facilities (TSFs).<sup>4</sup> CCMs can contact the appropriate WHO or UNAIDS regional or country office to request support, or can request further information through their Fund Portfolio Managers (FPMs).

### Tuberculosis

Applicants developing TB-specific NSPs can obtain support from the Stop TB Partnership's TB Technical Assistance Mechanism (TBTEAM). TBTEAM draws on a network of technical partners from the Interagency Coordinating Committees, Stop TB Partnerships or otherwise named TB partner coordination bodies, as well as all technical bodies of the Stop TB Partnership (e.g., the Green Light Committee, the Global Laboratory Initiative, the Global Drug Facility, and TBCARE). TBTEAM organizes training workshops for the managers and other staff of national TB-control programs (NTPs) and supporting partners on the key principles and components of NSPs including budgets and cost-estimation with the WHO planning and budgeting tool<sup>5</sup>. Participants in these trainings prepare their draft plans and share them with stakeholders and partners in the field for feedback and additional information as required. TBTEAM and its partners provide follow-up support until the NSPs are finalized. TBTEAM also facilitates the development of NSPs through technical assistance provided by registered consultants based on requests from implementers<sup>6</sup>. CCMs can contact

<sup>4</sup> [http://www.unaids.org/en/media/unaids/contentassets/documents/programmes/programmeeffectivenessandcountrysupportdepartment/TSF\\_en.pdf](http://www.unaids.org/en/media/unaids/contentassets/documents/programmes/programmeeffectivenessandcountrysupportdepartment/TSF_en.pdf)

<sup>5</sup> [http://www.who.int/tb/dots/planning\\_budgeting\\_tool/download/en/index.html](http://www.who.int/tb/dots/planning_budgeting_tool/download/en/index.html)

<sup>6</sup> <http://www.stoptb.org/countries/tbteam/>

TBTEAM directly through the Stop TB Partnership website,<sup>7</sup> or can convey requests for further information through their FPM.

## **Malaria**

The Roll Back Malaria Partnership (RBM) urges all partners to provide support to national programs in line with the principles of harmonization, alignment and the “Three Ones” (i.e., one coordinating mechanism, one strategy and one monitoring-and-evaluation [M&E] approach in each country). WHO recommends that all countries undertake a comprehensive malaria-program performance review (MPR) as a first step in developing or updating evidence-based malaria strategic plans (MSP) and M&E plans. Together, these processes and the resulting costed strategic plan form the heart of the Malaria Investment Toolkit, which allows for a bottom-up, country-driven approach. Tools for the implementation of MPRs, MSPs and M&E plans are available to guide national programs. To facilitate partner coordination and gap analysis, WHO also recommends the development of a multi-year implementation/business plan, as well as an annual operational plan. A set of consensus-based tools aid efforts, including the *Global Malaria Action Plan (GMAP)*, WHO technical recommendations, the *WHO MPR Manual*, the *WHO National Strategic Plan Development Manual*, and other tools developed by the RBM Harmonization Working Group to analyze remaining commodity, financial and programmatic gaps. The active link to the Malaria Investment Toolkit will be communicated once it is available. CCMs can contact RBM's Country Support team<sup>8</sup> or the Co-Chairs of RBM's Harmonization Working Group directly for support,<sup>9</sup> or can communicate their requests through their FPM.

## **Joint Assessments of National Strategies (JANS)**

The Joint Assessment of National Health Strategies, or JANS, is an approach to assess the strengths and weaknesses of NSPs. It is a shared approach where country stakeholders and development partners carry out an independent assessment of a NSP against an internationally agreed set of criteria laid out in the JANS tool and guidelines.<sup>10</sup> Countries have conducted JANS to improve the quality of their NSPs, to increase donor confidence, to inform decisions about funding, and to reduce transaction costs for governments dealing with multiple partners with separate assessments. From a Global Fund perspective, conducting a JANS may lead to increased confidence in a funding request and possibly, a higher chance of receiving incentive funding.

JANS are country demand driven and country-led, and build on existing country planning processes. They should have a strong independent element that includes people who were not involved in developing the NSP, and should involve civil society, key affected populations and other stakeholders in the health sector. One part of the assessment is to look at the nature and degree of multi-stakeholder involvement (including civil society and key affected populations) in the national planning process, and to make recommendations on how to improve this. The main output of a JANS is an analysis of the strengths and weaknesses of the plan, which can be used to help strengthen the NSP during its development or review.

The JANS Tool and Principles can be applied either to a national health sector strategy, or to a national disease strategy. Assessing these strategies does not mean just reviewing the strategy document itself, but also includes the various documents and procedures which underpin the strategy, including technical policy documents, sub-sector plans, strategies for

<sup>7</sup> <http://www.stoptb.org/countries/tbteam/>

<sup>8</sup> <http://www.rbm.who.int/mechanisms/partnershipsecretariat.html>

<sup>9</sup> <http://www.rbm.who.int/mechanisms/hwg.html>

<sup>10</sup> <http://www.internationalhealthpartnership.net/en/key-issues/national-health-planning-jans/>

strengthening human resources or health financing, budget frameworks, financial and procurement regulations, and monitoring and evaluation (M&E) plans.

## **APPENDIX 2: GUIDANCE AND INFORMATION NOTES ON DEVELOPING FUNDING REQUESTS**

There are several sources of guidance and information notes available to support the development and submission of a funding request to the Global Fund.

### **Strategic Investment Guidance from Technical Partners**

Strategic Investment Guidance has been developed by technical partners for HIV, TB, and malaria. These materials aim to support countries in using investment approaches to support the development of strong national strategies and are non-Global Fund specific. The guidance from technical partners for HIV, TB, and malaria will be available in mid to late March 2013. The location to access these documents will be communicated once they are available.

For malaria, this guidance will be provided in three key documents that together, comprise the package on strategic investment guidance from technical partners. The three documents are: (i) the Malaria investment Toolkit (see Appendix 1), (ii) the Global Fund proposal development: WHO policy brief on malaria, and (iii) the RBM HWG Country briefing document for Global Fund Malaria Proposals.

### **Global Fund Information Notes**

The Global Fund Information Notes aim to ensure that investments made through the Global Fund are directed towards areas where they can have maximum impact and provide value-for-money, keeping in mind the principles of equity and human rights. These Information Notes provide thematic and strategic guidance on certain topics such as collaborative TB/HIV activities, MDR-TB, CSS, key affected populations, human rights, and Global Fund policies and processes. They will be accessible from the Global Fund website as they become available<sup>11</sup>.

In addition, Global Fund Information Notes on Strategic Investments for cross-cutting Health and Community Systems Strengthening (HCSS) and HIV have been recently developed in collaboration with technical partners. They aim to help applicants determine their prioritized activities that represent the best investment approach for the Global Fund, fill a gap in coverage, represent additionality (i.e., funds beyond those currently financed by the Government and other donors), are cost-effective and speed up the pace of access to life-saving health care and preventative services. These Information Notes will be available in mid to late March.

### **How applicants can use the guidance and information notes**

The Strategic Investment Guidance from Technical Partners and Global Fund Information Notes support the development of an evidence-based concept note for resources requested from the Global Fund. They also help stakeholders use an effective investment lens when considering their national plans or any portfolio of interventions.

These materials are particularly relevant during the country dialogue process, when a concept note is under development, in order to provide an integrated and coordinated approach to health issues across the three disease programs. This dialogue should involve all relevant stakeholders, in particular the affected communities and technical partners. As such, the

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<sup>11</sup> <http://www.theglobalfund.org/en/accesstofunding/>

Strategic Investment Guidance from Technical Partners and Global Fund Information Notes are tools to help make the most effective funding request to the Global Fund based on an inclusive and informed process that builds consensus around difficult choices and strengthens transparency and good governance.

All applicants that are requesting new funding in the transition phase to the Global Fund's new funding model (NFM) are encouraged to use these materials, including those applicants who are receiving funding through a planned renewal or extension. These materials are also relevant throughout a country's planning cycle. Standard applicants that are currently in the process of developing a new or revising an existing national strategy are also encouraged to review these materials.

### APPENDIX 3: ELIGIBILITY OF COUNTRY COORDINATING MECHANISMS (CCMs)

The main criteria that determine whether CCMs are eligible to submit an application to the Global Fund (the CCM eligibility requirements) remain unchanged for all types of applications (CCMs, sub-national CCMs, Regional Coordinating Mechanisms [RCMs] and non-CCMs):

- **To be eligible for Global Fund financing, CCMs, sub-national CCMs and RCMs must meet each one of the six CCM eligibility requirements** approved by the Global Fund Board in May 2011 (*Guidelines and Requirements for CCMs*, Decision Point: GF/B23/DP17):<sup>12</sup>
- 1. **Requirement 1:** The Global Fund requires all CCMs to:
    - i. Coordinate the development of all funding applications through transparent and documented processes that engage a broad range of stakeholders - including CCM members and non-members – in the solicitation and the review of activities to be included in the application; and
    - ii. Clearly document efforts to engage key population groups in the development of funding applications, including most-at-risk populations.
  2. **Requirement 2:** The Global Fund requires all CCMs to:
    - i. Nominate one or more Principal Recipients (PRs) at the time of submission of their application for funding;
    - ii. Document a transparent process for the nomination of all new and continuing PRs based on clearly defined and objective criteria; and
    - iii. Document the management of any potential conflicts-of-interest that may affect the PR-nomination process.
  3. **Requirement 3:** Recognizing the importance of oversight, the Global Fund requires all CCMs to submit and follow an oversight plan for all financing approved by the Global Fund. The plan must detail oversight activities, and must describe how the CCM will engage program stakeholders in oversight, including CCM members and non-members, and in particular non-government constituencies and people living with and/or affected by the diseases.
  4. **Requirement 4:** The Global Fund requires all CCMs to show evidence of membership of people living with HIV and of people affected by tuberculosis (TB) or malaria (where funding is requested or has previously been approved for the respective disease). People affected by TB or malaria include people who have lived with these diseases in the past, or who come from communities where the diseases are endemic.
  5. **Requirement 5:** The Global Fund requires all CCM members representing non-government constituencies to be selected by their own constituencies based on a documented, transparent process, developed within each

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<sup>12</sup>[http://www.theglobalfund.org/documents/ccm/CCM\\_Requirements\\_Guidelines\\_en/](http://www.theglobalfund.org/documents/ccm/CCM_Requirements_Guidelines_en/)

constituency. This requirement applies to all non-government members, including those members representing people living with or affected by the three diseases, but not to multilateral and bilateral partners.

6. **Requirement 6:** To ensure adequate management of conflict-of-interest, the Global Fund **requires** all CCMs to:
- i. Develop and publish a policy to manage conflict-of-interest that applies to all CCM members, across all CCM functions. The policy must state that CCM members will periodically declare conflicts-of-interest affecting themselves or other CCM members. The policy must state, and CCMs must document, that members will not take part in decisions where there is an obvious conflict-of-interest, including decisions related to oversight and selection or financing PRs or sub-recipients (SRs); and
  - ii. Apply their conflict-of-interest policy throughout the life of Global Fund grants, and present documented evidence of its application to the Global Fund on request.

In limited circumstances (as described in points 77 and 78 of section 8 of the full document, *Guidelines and Requirements for CCMs*), the Global Fund will accept applications by applicants who do not apply through a CCM (non-CCMs) or a Regional Organization (RO). In both cases, the six CCM eligibility requirements do not apply.

However, there are additions to the current eligibility process. These include the following:

- The Global Fund Secretariat has defined four Minimum Standards for CCMs, to ensure they can perform core tasks before signing a new grant (or grant renewal). (See Appendix 4.) The Global Fund will enforce these CCM Minimum Standards beginning in 2015, which leaves two years for applicants to fully meet them.
- Starting in 2014, the Secretariat will evaluate CCMs on a yearly basis, and conduct a CCM Performance Assessment. The Performance Assessment will evaluate four of the six CCM eligibility requirements (Requirements 3, 4, 5 and 6, which can be monitored on a continuous basis) and the CCM Minimum Standards. All early applicants will undergo this assessment during the country dialogue.

### **Documentation requirements for CCM eligibility**

The required documentation to demonstrate compliance with the Global Fund's CCM eligibility requirements remains unchanged. The required documentation for eligibility requirements related to the concept note development process and the selection process for PRs also remains unchanged (described in the concept note Instructions for Early Applicants which will be available on the Global Fund website as reference<sup>13</sup>). The Global Fund Secretariat will review these documents at the time an applicant submits a concept note. The annual CCM Performance Assessment and the country dialogue will ensure that CCMs have the right documentation, and provide applicants with an annual update of their compliance with the CCM eligibility requirements and CCM Minimum Standards.

### **Process for reviewing CCM eligibility**

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<sup>13</sup> <http://www.theglobalfund.org/en/accesstofunding/>

During the transition phase, the Secretariat will engage early on with applicants to ensure that CCM eligibility requirements are clear and understood. Once an applicant submits a concept note to the Global Fund, the Secretariat will review the applicant's eligibility (based on the CCM Performance Assessment for compliance with Requirements 3, 4, 5, 6 and the documentation on concept note development and PR selection for compliance with Requirements 1, 2 to be provided with concept note submission) and communicate to the applicant its level of compliance. The Secretariat may request clarifications prior to determining compliance. Only if an applicant complies with all the eligibility requirements will its concept note progress to be reviewed by the Technical Review Panel (TRP).

Applicants not fully compliant with the CCM eligibility requirements may either resubmit the missing documentation to provide evidence of their compliance, or may resubmit their concept notes for the next TRP review period and demonstrate clear, documented compliance at that time. Once an applicant is fully compliant, its concept note moves to the review stage.

## APPENDIX 4: THE GLOBAL FUND'S MINIMUM STANDARDS FOR IMPLEMENTERS

To avoid situations in which implementers learn late in grant negotiations of capacity gaps that lead to the imposition of Conditions Precedent in Grant Agreements, the Global Fund Secretariat has adopted a list of “Minimum Standards” that sets clear expectations around the key capacities grantees and others need to demonstrate. Covered entities include Principal Recipients (PRs), key Sub-Recipients (SRs) and other associated actors, such as public- or private-sector entities involved in the pharmaceutical and health products procurement and supply chain, as well as components of the national health system. The Secretariat will also release a separate set of Minimum Standards for Country Coordinating Mechanisms (CCMs) in the near future.

The purpose of the Minimum Standards is twofold:

- i. The Minimum Standards should provide all countries with upfront information on the Global Fund’s expectations for required capacity levels. The Minimum Standards give a clear description of the expected systems and procedures for each critical element of grant management, to provide a common understanding by the Global Fund and its partners; and
- ii. The Minimum Standards are critical for the assessment of implementers, and the Global Fund Secretariat will strictly enforce them. They are part of the due-diligence process to set up grants for success and ensure up-front assurance by filtering out impossible grants.

There are twelve (12) Minimum Standards, formulated to correspond to the highest risk areas of typical Global Fund grants. They are drawn from experience and reports such as the Report of the High-Level, Independent Review Panel on Fiduciary Controls and Oversight Mechanisms, the Lessons Learned Reports from the Global Fund’s Office of the Inspector General (OIG), internationally accepted standards, and best-practice tools and approaches from partners and technical-assistance providers.

The Minimum Standards apply to all early applicants in the transition phase. Applicants that receive additional funding through their existing grants might have to go through a Minimum Standard check as well.

## II. Minimum Standards Checklists

### Required for grant signing (and rechecked during grant management)

Cross-functional	<p><b>The Principal Recipient demonstrates effective management structures and planning</b></p> <ul style="list-style-type: none"><li>- The Principal Recipient has sufficient number of skilled and experienced staff to manage the program (including staff for functional tasks such as PSM, M&amp;E and Finance)</li><li>- The Principal Recipient shows effective organizational leadership, with a transparent decision-making process</li><li>- Staff of key functions at the Principal Recipient have relevant technical knowledge (adequate health expertise for HIV/AIDS, tuberculosis and/or malaria)</li><li>- <i>If applicable</i>: Procurement staff have relevant experience for procurement; Warehouse staff are sufficient in number, and have appropriate skills to manage storage of health products</li></ul>
Program (SR oversight)	<p><b>The Principal Recipient has the capacity and systems for effective management and oversight of Sub-Recipients (and relevant Sub-Sub-</b></p>

	<p><b>Recipients)</b></p> <ul style="list-style-type: none"> <li>- The Principal Recipient exercises sufficient oversight over Sub-Recipients to safeguard both financial and physical assets</li> <li>- The Principal Recipient has the ability to provide or contract for capacity-building to ensure timely and quality program implementation</li> </ul>
<p>Program (Conflict of interest)</p>	<p><b>There is no conflict-of-interest for the selection of the Principal Recipient(s) and Sub-Recipients</b></p> <ul style="list-style-type: none"> <li>- The representatives of any one Principal Recipient (or any one Sub-Recipient) do not represent more than 10 percent of the Country Coordinating Mechanism (CCM) members</li> <li>- The Principal Recipients' (or Sub-Recipients') representatives do not hold the CCM chair, and are not members on Oversight or Proposals Committees</li> <li>- There is no conflict-of-interest in the selection process of Sub-Recipient(s) by the Principal Recipient(s) or CCM</li> </ul>
<p>Program (implementation plan)</p>	<p><b>The program-implementation plan provided in the Concept Note is sound</b></p> <ul style="list-style-type: none"> <li>- The operational plan is aligned with the national plan(s) and plans of other donors, and avoids any potential duplication of efforts / funding</li> <li>- The operational plan is based on the latest nationally approved and internationally recognized program guidelines and evidence-based interventions, and takes into account issues related to accessibility of products and services for marginalized / vulnerable / key populations</li> </ul>
<p>Finance</p>	<p><b>The internal control system of the Principal Recipient is effective to prevent and detect misuse or fraud</b></p> <ul style="list-style-type: none"> <li>- The internal control system ensures that the Principal Recipient adheres to policies and procedures consistently</li> <li>- The internal control system supports compliance effectively with the related grant agreement to be proposed (evidence of the operation of the internal control is verified during grant management)</li> <li>- <i>To be checked during grant management:</i> External auditors and other third-party assurance providers are selected and assigned duties in accordance with Global Fund guidelines</li> </ul>
<p>Finance</p>	<p><b>The financial-management system of the Principal Recipient is effective and accurate</b></p> <ul style="list-style-type: none"> <li>- The Principal Recipient has an accounting system in place that can correctly and promptly record all transactions and balances making clear reference to the budget and workplan of the grant agreement</li> <li>- The Principal Recipient manages all transactions and transfers to suppliers and Sub-Recipients in a transparent manner to safeguard financial and physical assets</li> <li>- <i>To be checked during grant management:</i> The Principal Recipient monitors actual spending in comparison to budgets and workplan and investigates variances and takes prompt action</li> </ul>
<p>PSM</p>	<p><b>The central warehouse and the warehouses for key regions have capacity, appropriate conditions and security to store health products, and to maintain their quality</b></p> <ul style="list-style-type: none"> <li>- The storage capacity is appropriate in condition (including ventilation), equipment, and size for the type and quantity of products to be stored</li> <li>- The facilities are properly secured against theft and damages</li> <li>- The facilities are equipped with a temperature monitoring and controlling mechanism</li> </ul>
<p>PSM</p>	<p><b>The distribution process can handle the requisition of supplies to avoid treatment / program disruptions</b></p> <ul style="list-style-type: none"> <li>- There is a distribution plan for supplies, dispatches and transportation</li> </ul>

	<ul style="list-style-type: none"> <li>- The security measures for transportation are defined and the equipment and transportation conditions are adequate</li> <li>- There is a Logistics-Management Information System (LMIS) with requisition and stock-reporting tools in place to anticipate and minimize stock-outs (incl. accurate forecasting and timely ordering)</li> </ul>
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M&E	<p><b>Data-collection capacity and tools are in place to monitor program performance</b></p> <ul style="list-style-type: none"> <li>- The Monitoring and Evaluation (M&amp;E) system defines relevant indicators for routine monitoring of activities/interventions that are aligned to the goals and objectives of the program in question</li> <li>- Adequate mechanism and tools are in place to report accurate and quality assessed data from the Sub-sub-Recipient / Sub-recipient to the Principal Recipient level</li> <li>- <i>Applicable for high-impact / TERG countries:</i> Program Reviews are planned during the implementation period and National program reviews are conducted with involvement of partners on a regular basis</li> </ul>
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M&E	<p><b>A functional routine reporting system with reasonable coverage is in place to report program performance timely and accurately</b></p> <ul style="list-style-type: none"> <li>- The routine reporting system/ Health Management and Information System (HMIS) for public-sector facilities has a coverage of at least 50 per cent, and there is a costed plan to improve coverage to 80 per cent</li> <li>- The relevant HIV, TB, malaria indicators have clear definitions, and are coded in the HMIS</li> <li>- The routine reporting system / HMIS has a data-assurance mechanism in place that annually verifies data</li> </ul>
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### Required as part of grant documents for grant management (covenant)

Program/ CCM	<p><b>The CCM actively oversees the implementation of the grant, and intervenes where appropriate<sup>14</sup></b></p> <ul style="list-style-type: none"> <li>- The Oversight Committee of the CCM reviews the grant-performance information provided by the Principal Recipient; identifies problems; provides recommendations on corrective actions to the CCM; and meets quarterly with each Principal Recipient and key Sub-Recipients</li> <li>- The CCM acts upon recommendations from the Oversight Committee, creates timelines for the corrective actions and assigns responsibilities</li> <li>- The CCM ensures that the activities are implemented as planned, monitors the implementation of the decisions, and shares the documentation with the FPM and the Secretariat's CCM Hub</li> <li>- The CCM publicly reports grant related decisions and information on their website</li> </ul>
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PSM	<p><b>A quality-assurance plan is in place to monitor product quality throughout the in-country supply chain</b></p> <ul style="list-style-type: none"> <li>- The quality-assurance plan specifies quality monitoring activities throughout the in-country supply chain</li> <li>- The World Health Organization "Model Quality Assurance System for Procurement Agencies (MQAS)" serves as guidance</li> <li>- The entity has Standard Operating Procedures (SOPs) for key processes in place and revises the SOPs when necessary</li> </ul>
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### How implementers should interpret the Minimum Standards

<sup>14</sup> This standard is consistent with the six eligibility requirements for CCMs and is subject to further revision and change. A longer list of CCM specific standards is currently being developed

The Minimum Standards reveal the expected level of capacity for implementers and national systems. They should help potential applicants understand what the Global Fund requires for the successful technical and operational design and implementation of programs. By giving clear statements of requirements for potential applicants, they allow a CCM to steer the nomination of PR(s) (and, where relevant, the selection of SRs) accordingly, and assess the cost of investing in proposal preparation against the risk of failing to meet the Minimum Standards. They provide an opportunity to implementers to design a grant that is ready for disbursement immediately after signature.

The assessment of the Minimum Standards by the Global Fund Secretariat will also help identify specific areas in which applicants need capacity support right away. Accordingly, the Global Fund will provide financing for training and technical assistance as part of the approved budget for awards under the transition phase. In cases in which recipients do not fully meet the Minimum Standards, but the risks are considered manageable, the Secretariat may approve the use of limited grant funds to help strengthen the systems over time after having explored and used national and partner funding for capacity and system-strengthening to come closer to compliance. The Global Fund does not have a mandate to strengthen implementers more generally, unless there is a clear linkage to the objectives and success of the proposed Global Fund grant.

During the development of a Concept Note, the CCM alone should "assess" whether the key implementers comply with the Minimum Standards, and must make nomination decisions accordingly. The implementers themselves will always have responsibility for the design and management of their programs, and they are principally responsible for subsequent success or failure.

### **How the Global Fund Secretariat will use the Minimum Standards**

During grant negotiations, the Secretariat will do an in-depth assessment to check if the key implementers comply with the Minimum Standards. Non-compliance will trigger certain actions, depending on the type of entity and the circumstances. The set of actions includes the following options:

**i. *Setting up safeguards with a clear action plan***

This can either be through alternative implementation arrangements, such as mandatory out-sourcing of the function in question (e.g. Fiduciary Agents or Procurement Agents), or by capacity-building through technical assistance. The Secretariat and the CCM will set up a timeline and an action plan to resolve the issue, should it require attention beyond the signing date of the grant. This will be noted in the Grant Agreement.

**ii. *Escalation and acceptance***

If a Fund Portfolio Manager believes a grant should go forward even if an implementer does not comply with one or more Minimum Standards, he or she will refer the question to the Executive Grant Management Committee (EGMC) within the Secretariat. The EGMC will then take a decision whether to accept the non-compliance with the Minimum Standard(s). Should the decision be negative, one of the other two options will apply.

**iii. *Rejection of implementer***

Should the capacity gaps be so severe and mitigating actions are not possible within defined timelines, the Secretariat will reject the implementer or implementation arrangement. The Secretariat may also reject SRs in cases of conflict-of-interest.