

Design Funding Requests and Sign Quality Grants

Approved on 17 April 2026
Approved by Executive Grant Management Committee
Process Owner Access to Funding Team; Grant Portfolio Solutions and Support Department

Process Metrics for Design Funding Requests and Sign Quality Grants

Country Coordinating Mechanisms (CCMs)*, Principal Recipients (PRs) and Country Teams (CTs) are expected to meet the following metrics:

- If applicable, Technical Review Panel (TRP) Review and Recommendation forms are signed off by the TRP and accepted by CT within 5 days following the final TRP plenary of each Window.
- If applicable, CCM, PR and CT ensure that grant-making actions identified by the TRP are addressed by the respective due dates.
- During Funding Request, CCM undertakes an inclusive and holistic country dialogue for all components to ensure compliance with CCM Eligibility Requirement 1. The results are reflected in the funding application.
- During Grant-making, CCM for High Impact and Core portfolios convenes at least two meetings for the PRs to brief and receive feedback from the CCM, including from the community and civil society representatives.
- The Grant Confirmation is signed by the PR and Global Fund Secretariat (the Secretariat) before the new Implementation Period (IP) start date.

* In this OPN, CCM refers to Country Coordinating Mechanisms (CCMs), Regional Coordinating Mechanisms (RCMs), non-CCMs, and Regional Organizations (ROs) unless otherwise indicated. Refer to the [Country Coordinating Mechanism Policy](#) for more information.

Process Objectives

1. The goal of the *Design Funding Requests and Sign Quality Grants* (Funding Request and Grant-making)¹ processes is to ensure funding applications are well designed, undergo timely and quality review, and translate into quality grants² that are (i) disbursement-ready for Grant Approvals Committee (GAC) recommendation and Board approval, and (ii) implementation-ready at the IP start date.
2. The CCM, PR and CT ensure that the funding application and grant design acknowledge the changing development landscape and take into account the national priorities³, the [Global Fund 2023-2028 Strategy, strategic shifts and adaptations for Grant Cycle 8](#) (GC8)⁴ including to support program sustainability and effective transitions from external financing, and the aims of the allocation outlined in the allocation letter.
3. Disbursement readiness and implementation readiness facilitate (i) timely implementation of grant activities from the IP start date; and (ii) continuity of grant activities across IPs.

	Definition
Disbursement-ready	<p>Disbursement readiness is achieved when:</p> <ol style="list-style-type: none"> a. All grant documents⁵ required for GAC recommendation are in their final form and agreed by the CT and the PR; b. Issues identified by the TRP (if any) that need to be addressed before grant signature have been addressed to the TRP's and/or the Secretariat's (where delegated) satisfaction;

¹ In this OPN, 'Funding Request and Grant-making' refer to the Design Funding Request and Sign Quality Grants processes while 'funding application' refers to the package of documents that are developed and submitted to access the allocation.

² A quality grant is defined as a grant positioned to effectively deliver its strategic objectives and achieve the targeted impact as reviewed by the TRP or GAC and as approved by the Global Fund Board.

³ As expressed and endorsed in the funding application submitted to the Global Fund.

⁴ Refer to the '[Strategic shifts and adaptations for GC8](#)' on the Global Fund website for more information. GC8 covers the 2026-2028 allocation period.

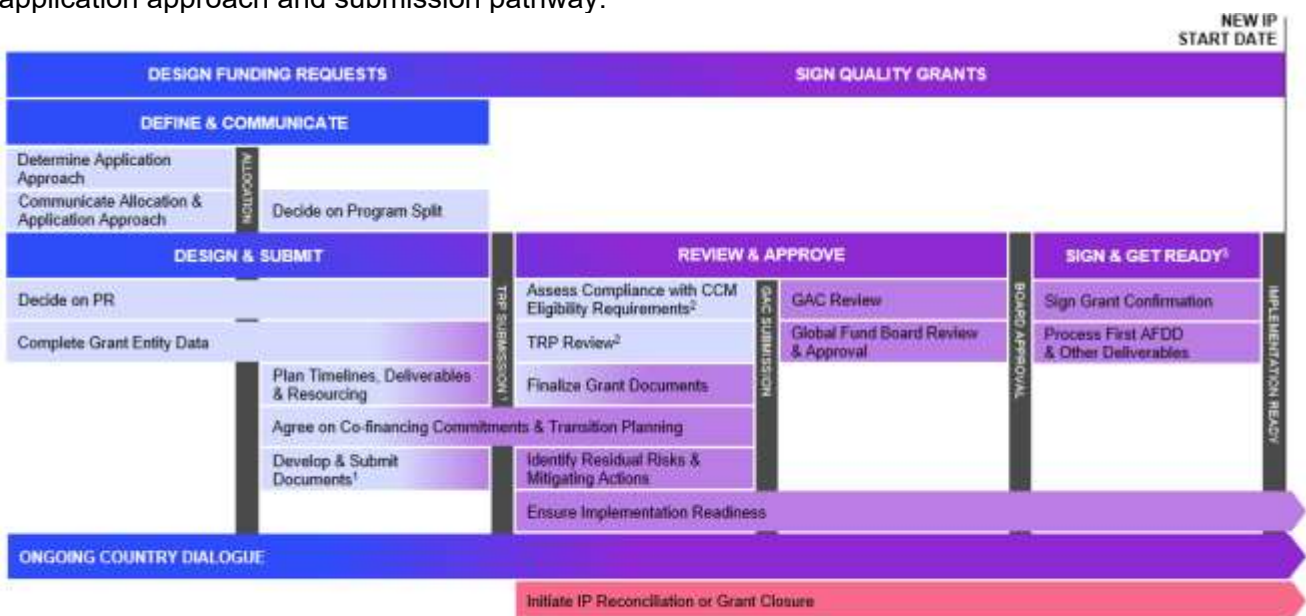
⁵ As defined in the Annex 1a on Deliverables by Portfolio Category.

	<p>c. Issues identified by the CT that need to be addressed prior to the release of the first Annual Funding Decision (AFD) and disbursement are resolved; and</p> <p>d. Residual risks have been identified and prioritized, with actions and controls defined to mitigate each risk to an acceptable level.</p>
Implementation-ready	<p>Implementation readiness is achieved when: a disbursement-ready grant is approved and signed before the IP start date, and the PR can begin implementing grant activities immediately on the IP start date.</p> <p>This requires advance preparation, such as the early identification and contracting of PR human resources; Sub-recipients (SR); and suppliers of health products and critical services⁶; and an agreed implementation work plan for year one of the IP, if applicable.</p>

4. Achieving disbursement readiness and implementation readiness within the prescribed timelines requires that the CCM selects and nominates PRs, and plans and undertakes country dialogue and end-to-end Funding Request and Grant-making processes as early as possible. Early PR selection and nomination ensure that the PR has a good understanding of key priorities, translates these into grant design and develops grant documents early.

Operational Policy

- This OPN supersedes the OPN on Design and Review Funding Requests and the OPN on Make, Approve and Sign Grants (approved on 12 January 2023 and 13 March 2023, respectively) with immediate effect.
- The principles and general requirements defined in this OPN apply across all portfolios including country, multicountry and results-based financing (RBF) modalities. However, the specific grant deliverables do not apply to Focused portfolios unless explicitly stated in Annex 1a on Deliverables by Portfolio Category. In addition, the sections on ‘Specific Multicountry Considerations’⁷, ‘Specific Multicountry Considerations’⁸ and Annex 1b on Adjustments to Deliverables for RBF Grants define differentiated approaches for multicountry portfolios and RBF modalities.
- The figure below defines the process and sub-processes which vary depending on the selected application approach and submission pathway.



¹ List of documents to be submitted depends on the application approach
² Steps specific to Funding Applications reviewed by TRP
³ For Implementation

8. **Use of Global Fund Partner Portal.** Operational engagements⁹ between the CCM, PR and the Secretariat during the Funding Request and Grant-making processes are facilitated through the Global

⁶ Such as warehousing or distribution services that need to be in place without a break in contract. Where required, CTs ensure the early identification and contracting of fiscal or fiduciary agents.

⁷ If Catalytic Funding is available for multicountry funding applications for GC8, specific guidance will be prepared once conditions are approved by the Executive Grant Management Committee (EGMC) and/or GAC, as applicable.

⁸ Blended finance and other innovative finance investments are described in the [OPN on Blended Finance and Joint Investments](#).

⁹ Such as notifications, document sharing and submission.

Fund Partner Portal, an online platform that serves as a central point of information and document exchange. As a first step, the CCM and PR provide their key contacts that require access rights for Funding Request and Grant-making in the Global Fund Partner Portal following the process prescribed in the [OPN on Grant Entity Data](#).

DEFINE & COMMUNICATE

Determine Application Approach

9. **Application Approach** defines the set of required documents to be submitted and scope of review to access the allocation. All funding applications, regardless of the application approach, are developed based on inclusive country dialogue, as outlined in the 'Ongoing Country Dialogue' section below. Application approaches are differentiated according to portfolio and context. For each country component, the GAC determines the most suitable application approach. Changes to the application approach require Global Fund approval. There are six application approaches for GC8 categorized by portfolio category.

a. Core and High Impact Portfolios

- **Tailored for Transition (High Impact/Core)** is for portfolios with components transitioning from Global Fund financing in GC8 or GC9. Funding application requirements and TRP review are tailored, ensuring that targeted investments have the greatest impact and facilitate transition.
- **Full Review** is for portfolios without identified transition timelines but that do not meet the eligibility criteria for Program Continuation. The CCM submits the full set of funding application requirements and the TRP undertakes a comprehensive review. This application approach enables a comprehensive review of a country's investment approach and strategic priorities.
- **Program Continuation** is for portfolios with well-performing programs that do not require changes to the design or the implementation arrangements (i.e., using existing PRs including grant consolidation cases). Portfolios invited to apply under this approach meet specific eligibility criteria¹⁰ jointly agreed between the TRP and the Secretariat. The PR develops GC8 grant documents under CCM oversight. The TRP is engaged (i) through a streamlined review only when there are material programmatic changes from the previous IP¹¹; (ii) as technical partner during GAC review.

b. Focused Portfolios

- **Tailored for Transition (Focused)** is for portfolios with at least one component transitioning from Global Fund financing in GC8. Funding application requirements and TRP review are tailored, ensuring that targeted investments have the greatest impact and facilitate transition.
- **Tailored for Focused** is for portfolios not transitioning from Global Fund financing in GC8 (i.e., GC9 or longer transition timelines) and where the CCM or the Secretariat has requested a TRP review of the proposed investments in line with principles agreed with the TRP¹². CCM submits a differentiated funding application and the TRP conducts a tailored review to provide targeted/strategic feedback.
- **CCM Investment Priorities** is for portfolios not transitioning from Global Fund financing in GC8 (i.e., transitioning in GC9 or longer transition timelines). The CCM defines investment priorities to guide the PR and CT in developing grant documents. The TRP is engaged (i) through pre-shaping discussions on priority areas, and (ii) as a technical partner during GAC review.

¹⁰ **Pre-requisites.** (i) Component with continuing PR(s) with good grant performance; (ii) Portfolio is co-financing compliant and no major sustainability concerns (e.g., due to changing funding landscape); (iii) TRP recommendations for GC7 are 'Met', 'On-track', or 'GAC-waived'. **Qualitative Considerations.** The Secretariat agrees that the components' GC8 grant(s) can be negotiated without material changes compared to GC7 and the program shows positive evolution over time or is on track to achieve global targets, or the grant is likely to be highly commoditized. If material changes arise during grant negotiations, a streamlined TRP review can be facilitated. **Exclusion.** Mandatory TB/HIV submission where one of two disease components does not meet Program Continuation criteria.

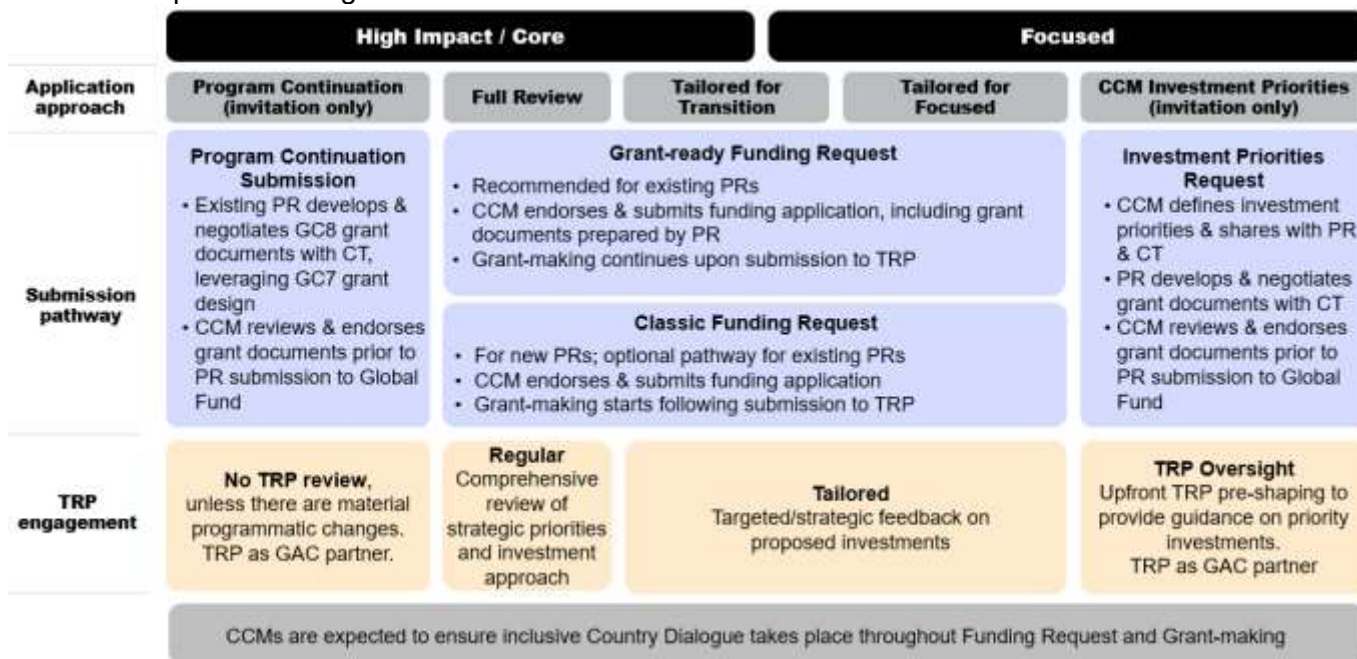
¹¹ These are programmatic changes requiring TRP review as defined in the [OPN on Revise Grants](#).

¹² Principles include (i) deviation from focus of investments communicated in allocation letter/ other official means resulting in disagreement between Secretariat and CCM on funding prioritization / priority areas; (ii) delayed implementation of TRP issues from GC7 i.e., if significant progress has not been made to address them or they were not waived by GAC; (iii) challenging country situations warranting an exceptional TRP review such as: lack of normative guidance for interventions prioritized for funding, insufficient availability of technical assistance, major epidemiological shifts, crises affecting key and vulnerable populations' access to health services or CCMs moving from single country to multi-country applications; and (iv) portfolios with a defined timeframe for transition that have not received a transition allocation, but wish to advance a discussion with TRP on transition planning.

10. **Submission Pathway** defines the process and level of details for the development and submission of the funding application and the responsibilities of the CCM, PR and CT in the process. The CCM is encouraged to nominate and involve the PR early to start the development of grant documents at the Funding Request stage. There are four submission pathways for GC8, which reflect different levels of early PR engagement.

- a. If applying through a Full Review, Tailored for Transition, or Tailored for Focused application approach, the CCM (in consultation with the CT) selects between the Grant-ready or Classic submission pathways, choosing the pathway that best fits their level of early PR engagement and readiness to contribute to preparing the funding application.
- **Grant-ready Funding Request.** The CCM requests the nominated PR to develop the grant Performance Framework (PF) and Budget as part of the funding application. The PF and Budget are finalized after TRP review to reflect any changes resulting from the TRP review. If applicable, the PR also develops the Health Product Management Template (HPMT) to facilitate the development of the Budget. This pathway is designed for portfolios where existing PRs are nominated to continue in GC8 and is an optional pathway for existing PRs implementing new components/new major activities.¹³
- **Classic Funding Request.** The CCM develops and submits the funding application with a single PF and Budget per funding application.¹⁴ The negotiation of grant documents starts upon submission of the funding application to the TRP and is completed after TRP review. This is the required pathway for any portfolio that nominates a new PR and is an optional pathway for existing PRs including those implementing new components/new major activities.
- b. **Program Continuation Submission.** The CCM requests the nominated PR to develop grant documents (based on GC7 program and grant design) which are then negotiated and finalized with the CT. The grant documents are reviewed and endorsed by the CCM and submitted by the PR to the Global Fund ahead of GAC review.
- c. **Investment Priorities Request.** The CCM defines their investment priorities in line with Secretariat guidance and TRP pre-shaping. These investment priorities guide the PR and CT in developing and negotiating grant documents. The grant documents are reviewed and endorsed by the CCM and submitted by the PR to the Global Fund ahead of GAC review. The submission includes the investment priorities defined by the CCM.

11. The figure below illustrates how the submission pathways and application approaches relate to each other and to portfolio categories.



¹³ See [OPN on Country Risk Management](#) for more information and examples of major activities.

¹⁴ If not completed with the funding application, Health Product Management budget lumpsum is included in the Budget in the interim. HPMT remains a Grant-making requirement for High Impact and Core portfolios.

Communicate Allocation & Application Approach

12. **Country Allocation.** The [Global Fund Eligibility Policy](#) sets forth the eligibility criteria to determine which disease components (i.e. HIV, TB or malaria) for which countries qualify to receive an allocation from the Global Fund.¹⁵ The allocation is the initial upper ceiling of funding made available by the Global Fund for country components for the applicable grant cycle. Funds allocated to countries may be reduced due to, among others, outstanding recoveries, co-financing requirements not being met and/or donor pledge conversion uncertainties throughout the funding cycle.¹⁶ Unused funding from the previous allocation period (e.g., undisbursed funds, in-country cash balances, cash balances at the procurement agent, fiscal agent or auditor level etc.), and any recovered funds relating to disbursements made with grant funds arising from previous grant cycles, cannot increase a country allocation. Refer to the [Global Fund Guidelines for Grant Budgeting](#) for further details.
13. **Timeframe to Access and Use Allocation.** Grants accessing a GC8 allocation must be approved by the Board prior to 31 December 2028. The Allocation Utilization Period (AUP) is the standard period of three years¹⁷ during which the country allocation per component can be utilized to implement grants. For grants continuing from GC7 to GC8, the GC8 AUP starts the day after the GC7 AUP end date. Unless indicated otherwise in the allocation letter, GC7 extensions use time and funding from the GC8 AUP, reducing the time and funding available for the GC8 IP. If the AUP becomes shorter than what is communicated in the allocation letter, the allocation funding for the related grant(s) is proportionately reduced. Refer to the [OPN on Revise Grants](#) for further details.
14. **Allocation Letters.** Allocation letters are sent to the CCMs of eligible countries with the following information:
- Allocation amount for eligible disease component(s) and AUP start and end dates;
 - The recommended application approach;
 - Aims of the allocation;
 - Available catalytic funds, if applicable;¹⁸
 - Co-financing requirements;
 - Transition timelines, if applicable; and
 - Other specific financial/technical conditions and/or guidance, if applicable.¹⁹

Decide on Program Split

15. **Program split.** Before the submission of any GC8 funding application, the CCM decides whether to propose a change to the program split communicated in the allocation letter. A program split refers to how the allocation is divided across disease components (and RSSH, if applicable). A program split change occurs when the CCM proposes a different distribution than that communicated in the allocation letter, including when RSSH is proposed as a standalone component. Indicating RSSH investment amounts within disease components does not constitute a program split change.
16. **Program split documentation requirements** are differentiated by portfolio category.
- High Impact and Core Portfolios.** The CCM is required to complete and submit the Program Split Confirmation Form (shared with the CCM together with the allocation letter). In this template, the CCM must indicate:
 - whether they accept the recommended allocation by component or propose a change to the program split;
 - the intended investment amount for cross-cutting RSSH activities/interventions from within the allocation for the disease components; and
 - if a standalone RSSH grant is anticipated, the CCM must use the Program Split Confirmation Form to indicate a new program split, detailing RSSH as a separate component.
 - Focused Portfolios.** The CCM is not required to submit a Program Split Confirmation Form unless a change to the program split is proposed. In such cases, the Focused portfolio template must be

¹⁵ The [2026 Eligibility List](#) determines which country components are eligible for an allocation for GC8. Eligibility to receive an allocation does not guarantee an allocation or funding.

¹⁶ Refer to the [Global Fund Sustainability, Transition and Co-financing Policy](#), the [OPN on Recovery of Grant Funds](#), and the [OPN on Co-Financing](#).

¹⁷ Unless indicated otherwise in the allocation letter.

¹⁸ If designated for the country or component in GC8.

¹⁹ Such as allocation-related decisions or outcomes that have intended implications around use of funds (e.g. recoveries, or if countries are expected to be on a continued trajectory for significant reductions in allocations, etc.), and any other relevant information.

used to communicate the revised program split. The template does not require inclusion of an intended investment amount for RSSH. Focused Portfolios are not eligible for a standalone grant for RSSH.

17. The CCM submits the endorsed Program Split Confirmation Form:
 - a. Before submission of the GC8 funding application; or
 - b. For any subsequent revision to the program split, up to GAC recommendation.
18. The CCM can further revise the program split after the funding application has been submitted²⁰ and until all grants for the impacted component have been recommended for Board approval by the GAC. If a disease component still has unused allocation funding after Board approval of its associated grant(s), the unused funds can be reallocated to a different component with grants that have not yet been recommended by the GAC. All revisions must be communicated through the Program Split Confirmation Form.
19. **Approval Requirements.** The CCM is required to endorse the confirmation of program split. The endorsement must be provided by: (i) the CCM Chair²¹; and (ii) the civil society representative if the CCM Chair is the representative of the Government, or the representative of the Government if the CCM Chair is the representative of civil society.
20. The Secretariat approval of the program split must be obtained before GC8 funding applications are reviewed. The review and approval processes follow the rules below:

Program Split	Approval Authority
Change to component's allocation is > 15% and > US\$5 million (or the equivalent in EUR-denominated grants)	Elevated Review: Grant Management Division (GMD) Head, based on CT's discussion with Grant Finance Manager (GFM), GMD Department Head (DH), Strategic Investment & Impact Division (SIID) technical teams, and the allocation team ²²
For a designated sub-set of countries identified at the time of qualitative adjustments, any change to program split triggers automatic elevated review ²³	
Change impacts a qualitative adjustment to a component's allocation that was intended for a specific use of funds	
Any other change	Fund Portfolio Manager (FPM), based on CT's discussion with GFM and Regional Manager (RM) /DH

DESIGN & SUBMIT

Decide on PR

21. The CCM²⁴ must select and nominate to the Global Fund the PR(s) for the grant(s) as soon as possible following receipt of the allocation letter through a transparent and documented process in accordance with the [Country Coordinating Mechanism Policy](#). Where possible, the Global Fund encourages the CCM to propose streamlined implementation arrangements, such as consolidating grants when two or more components are managed with a single PR.²⁵ See Annex 2 on Selecting Implementers of Global Fund Grants for guidance on the selection of Global Fund grant implementers.
22. **Complete Capacity Assessment of PR, if applicable.** Upon nomination, the CT initiates the required capacity assessment for (i) new PRs; (ii) PRs implementing PfR or RBC modalities for the first time; or (iii) for High Impact and Core portfolios, existing PRs implementing new components/new major

²⁰ If separate submissions are exceptionally agreed, as noted earlier, CCMs present their program split with their first funding application.

²¹ In the absence of the CCM/RCM Chair, endorsement by the Vice Chair is acceptable if in line with the CCM/RCM's governing documents. For Non-CCMs and ROs, only the endorsement of the legal representative is required.

²² Technical Advice and Partnerships (TAP) and Community, Rights and Gender (CRG) provide consolidated SIID inputs. The Allocation Team provides support to assess whether the proposed change counters the intended direction of a component's allocation under the allocation methodology. CT engage other Global Fund stakeholders, as relevant.

²³ Countries requiring elevated review under this criteria will be identified by the Strategy and Policy Hub and communicated to relevant CTs.

²⁴ Except in instances where a portfolio is managed under the Additional Safeguard Policy and the selection of the PR by the Global Fund is one of the safeguards invoked for the portfolio.

²⁵ In instances where there is a misalignment between grant start and end dates for two different components, specific guidance will be provided to the CCM.

activities for which they have not been assessed before.^{26,27} The capacity assessment, when required, is tailored to specific areas. The capacity assessment must be completed and the nominated PR accepted by the Global Fund as soon as possible and by the time of the TRP review of the funding application. Refer to the [OPN on Country Risk Management](#) for further details.

23. The RM or DH²⁸ decides to accept or reject the nominated PR, based on the recommendations of the CT and the capacity assessment, if applicable. If rejected, the CCM is requested to nominate an alternative PR and another capacity assessment will be conducted as required.

Complete Grant Entity Data (GED)

24. GED includes data and information required to (i) access forms needed for the development of the funding application and grant documents; (ii) successfully submit documents to the Global Fund; (iii) sign the Grant Confirmation; and (iv) process disbursements. During Funding Request and Grant-making processes, the CCM, PR,²⁹ Local Fund Agent (LFA) and third-party organizations³⁰ are responsible for ensuring that accurate GED information is provided/updated for the Secretariat's validation. GED change requests are processed following the [OPN on Grant Entity Data](#) and through the Global Fund Partner Portal.

Ongoing Country Dialogue

25. An ongoing and inclusive country dialogue is required to take place during Funding Request and Grant-making processes and continues throughout the grant lifecycle. Country dialogue is led by the CCM during the Funding Request process and by the PR afterwards. It includes engagement with communities affected by the three diseases and other in-country stakeholders, including stakeholders involved in the development, strengthening and financial management of national health systems. The scope and scale of country dialogue will vary depending on country context, portfolio categorization, and other factors. The country dialogue is continuous and holistic, promoting integrated planning and delivery of services, including the integration of HIV, TB and malaria services and RSSH functions within the primary health care (PHC) system and the sustainability of interventions supported by Global Fund financing. To drive impact and efficiency, the dialogue starts early, recognizing that meaningful integration requires time and sustained engagement throughout the grant lifecycle.
26. Below is a summary of expectations on country dialogue during Funding Request and Grant-making processes applicable to all application approaches and submission pathways.

Process	HI & Core	Focused
Funding Request	One holistic country dialogue integrated for all components and grounded in national plans and epidemiological evidence.	
	<ul style="list-style-type: none"> - Inclusive discussions ensure compliance with CCM Eligibility Requirement 1 (documentation must be kept available for eventual further review); and - Results of prioritization, aims of the allocation, application of the strategic shifts and technical discussions are reflected in the funding application. 	
	In-depth country dialogue	Focused on priority investment areas indicated in the allocation letter or other Global Fund communications.
Grant-making	Required for HI & Core, Best Practice for Focused. The CCM convenes at least two meetings for the PR to brief and receive feedback from the CCM, including from the community and civil society representatives, on (i) grant design; (ii) programmatic impact; and (iii) Community-Based/Community-Led Organizations (CBO/CLO) involvement in grant implementation. In the second meeting, the PR and the CT provide feedback to the CCM on the outcomes of Grant-making, including the rationale for not taking on Community priorities, if applicable.	

²⁶ Outside of these situations, a CT can also conduct a capacity assessment (i) where the use of country public financial management (PFM) systems for grant financial management is intended for sustainability and aid effectiveness purposes; and (ii) for an existing PR or select SRs if necessary to manage risks, as contemplated under the [OPN on Country Risk Management](#) and [OPN on Additional Safeguards Policy](#).

²⁷ When required, the capacity assessment for Focused portfolios is undertaken through a PR self-assessment and an LFA assessment if the self-assessment indicate major risks. A thematic (tailored) capacity assessment is required when PfR or RBC are used for the first time. This is to ensure the Secretariat has sufficient assurance on the internal controls and their effectiveness (see Annex 1b on Adjustments to Deliverables for RBF Grants).

²⁸ For High Impact Departments.

²⁹ And Lead Implementer, if applicable.

³⁰ A Supplier of services or goods which is expected to receive direct disbursements of grant funds from the Global Fund. See [OPN on Grant Entity Data](#).

	Best Practice – CT convenes one dedicated meeting to brief and receive feedback from community and civil society representatives, ideally during the Grant-making mission.
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27. The Secretariat participates in country dialogue and clarifies relevant policies and processes. It also ensures important thematic areas are brought to the overall discussion, including:
- Clarification of strategic shifts, aims of the allocation and any additional operational guidance, as articulated in the allocation letter;
 - Initial risk assessments including key risks, implementation and capacity issues identified during the previous IP that can be mitigated during the Funding Request and/or Grant-making processes;
 - Relevant regional and country analysis based on disaggregated data, wherever possible;
 - Areas for focus and prioritization for the funding application, including pending issues from previous TRP and GAC reviews; and
 - Development of co-financing commitments to support programmatic objectives, highlighting and furthering opportunities for engagement of public financial management systems, as appropriate.
28. Support to country dialogue needs to be addressed at the country level by in-country technical partners and using existing CCM funding resources (refer to the [OPN on Country Coordinating Mechanism Funding](#)). The CCM may engage the CT if additional technical support or advocacy is needed during country dialogue.
29. Where additional funding is needed to support meaningful country dialogue and an inclusive funding application development process, the CCM and the CT explore available options such as reinvestment of savings from existing grants up to a maximum amount of US\$150,000 per component in line with relevant guidance.³¹ Global Fund grant funds, however, cannot be used to cover the costs for a consultant or technical assistance to draft or write a funding application for the CCM.
30. Community and civil society representatives participate in Grant-making negotiations as a best practice, with support from Secretariat teams, technical assistance providers, and/or in-country partners, as appropriate.

Plan Timelines, Deliverables & Resourcing

31. For each country, the available allocation for each component can only be accessed once per grant cycle. In GC8, the CCM is required to submit funding applications for all eligible components in the same TRP review window. The CCM is encouraged to develop one single multi-component funding application, where feasible.³² The CCM, together with PR, LFA and CT, plans the end-to-end process (including milestones and deliverables) in an integrated manner to ensure that all funding applications are submitted simultaneously, that grant negotiations and signing is timely, and that implementation readiness is in place by the IP start date.
32. The CT can request the early engagement of the LFA (i) in the review of the effectiveness of grant design and implementation arrangements; and (ii) in the review of grant documents. LFA services are tailored according to the assurance needs of the CT using relevant LFA tools and guidelines.
33. The CT engages relevant Secretariat functions and technical teams as early as possible to provide guidance and inputs on key considerations to be addressed during Funding Request and Grant-making processes.
34. **Additional PR resources during Funding Request and Grant-making.** Following the nomination of the PR and acceptance by the Secretariat, the CT and PR determine if the PR needs resources to support their engagement during Funding Request and to complete the Grant-making process.
- Existing PRs implementing the same component.** The CT and PR determine if additional PR human resources are needed to support the development of grant documents and to complete Grant-making noting that the Funding Request and Grant-making processes overlap with continuing implementation and IP reconciliation of existing grants. In cases where the PR requires additional human resources, funds from the existing grant(s) can be used subject to Global Fund

³¹ See [OPN on Revise Grants](#) and [Budgeting Guidelines](#)

³² Variations can be allowed for components where start and end dates for the different grant components are misaligned, and in other circumstances on an exceptional basis.

approval and processed through a grant revision (refer to the [OPN on Revise Grants](#)) and in line with the Global Fund [Guidelines for Grant Budgeting](#).

- b. **New PRs and existing PRs implementing new components.** The CT and PR determine if resources are required for PR capacity building and start-up activities and apply for advance payment accordingly.
35. **Apply for Advance Payment, if applicable.** To support the PR in completing Grant-making with minimal delay and ensure implementation readiness, certain expenditures can be financed prior to the signing of the Grant Confirmation, subject to the conditions detailed in the Annex 3 on Advance Payment Mechanism. Advance payments are limited to two types of activities with distinct eligibility requirements: (i) capacity building and start-up activities, and (ii) health product procurement. If the requirements for advance payment are not fulfilled, limited activities can still be pre-financed by the PR following exceptional Global Fund approval.
36. **Joint investments with development partners, Debt2Health, and innovative financing.** The CCM considers joint investments with development partners to address high-priority areas at the country or sub-regional levels. Such joint investments, where appropriate and relevant, help align development finance and leverage additional investments for health systems or the national responses. They include blended finance/joint investments with development financing institutions or Multilateral Development Banks (MDBs). In addition, the CCM considers, where relevant and possible, Debt2Health transactions. The CCM engages early with the CT if they are considering joint investments. Refer to the [OPN on Blended Finance and Joint Investments](#).
37. The CCM considers whether RBF modalities are appropriate for the country context. Refer to section 'Specific Considerations for Results-based Financing Modalities' for more details.

Agree on Co-financing Commitments and Transition Planning

38. **Co-financing commitments.** In line with the co-financing requirements set out in the allocation letter, co-financing commitments are agreed between the Global Fund and the national government during the Funding Request and Grant-making processes. The CCM appoints and informs the Secretariat of the PR responsible for submitting and reporting on co-financing commitments. Co-financing commitments are formalized through a Commitment Letter, which is required before GAC review³³.
39. For detailed guidance on the co-financing requirements, refer to the Transition and Co-financing Technical Brief (link forthcoming), [OPN on Co-Financing](#) and the allocation letter.
40. **Transition Planning, Preparedness and Pathways.** In line with the [STC Policy](#), the Global Fund strongly recommends all countries to identify opportunities to strengthen sustainability and develop transition pathways, based on country context, away from external financing as a priority during country dialogue. This includes early-stage national planning to effectively transition away from external support and strengthen self-reliance. Countries with identified transition timelines accelerate efforts to plan for transition from external financing. This includes integration transition considerations and strengthening preparedness through funding application design, co-financing commitments, national planning, and program optimization.

Develop and Submit Documents

41. All funding applications and resulting grants must comply with the focus of funding requirements. These requirements govern how Global Fund financing can be used and which interventions the CCM can request funding for. Focus of funding requirements vary based on country's income level, as outlined in the [STC Policy](#).
42. Depending on the application approach and submission pathway, the CCM and PR develop and submit a differentiated set of required documents, informed by the ongoing country dialogue. See Annex 1a on Deliverables by Portfolio Category. If necessary, the CCM can request an early steer from the TRP or GAC.³⁴

³³ Access to a portion of the Global Fund allocation is conditional on countries meeting co-financing requirements, including the Commitment Letter being available at the time of GAC approval. Refer to the [OPN on Co-financing](#) for more information.

³⁴ GAC steer on funding applications is conducted on an as-needed basis, in line with the GAC review criteria and terms of reference

43. The CCM (i) ensures the completeness, accuracy and consistency (including in relation to the CCM-approved program split) of documents in the funding applications³⁵ or grant documents as relevant;³⁶ and (ii) formally endorses³⁷ the final funding application. The CCM or PR submits the funding application through the Partner Portal by the applicable TRP review window due date.

REVIEW AND APPROVE

Assess Compliance with CCM Eligibility Requirements

44. After the submission of the required documents, the Secretariat performs a review to assess if CCM Eligibility Requirements have been met (see [Country Coordinating Mechanism Policy Including Principles and Requirements](#)). The Secretariat notifies the CCM in case clarifications, additional information or documentation are needed. In such cases, the CCM has a limited time window (up to 3 days) to respond to the request.
45. **Differentiated Assessment of CCM Eligibility Requirements 1 and 2.** CCM eligibility requirements 1 and 2 are reviewed in a differentiated manner. The country components considered to have a higher risk of non-compliance will undergo greater scrutiny and a more in-depth review. Others undergo a 'light' CCM eligibility assessment.
46. **Compliance with Eligibility Requirements 3 to 6.** When funding applications are submitted by RCMs, the Secretariat evaluates the mechanism's compliance with the CCM Eligibility Requirements 3, 4, 5 and 6, before submission.
47. **Non-CCM.** Funding applications submitted by non-CCMs need to comply with the overall principle of inclusiveness, as appropriate, given the country context.
48. Following the eligibility assessment, the CCM falls into one of four categories.
- Compliant.** The CCM fully complies with the eligibility requirements and relevant indicators.
 - Compliant with Issues.** Some criteria are not fully met, but the CCM demonstrates credible intent to comply.
 - Indeterminate Compliant.** Further information is required to complete the assessment.
 - Non-Compliant.** Most or all eligibility criteria are not met.
49. Instances where the CCM is deemed 'Compliant with Issues', 'Indeterminate Compliant' or 'Non-Compliant' are escalated to the Senior Manager, Access to Funding (A2F) team and makes a final decision in consultation with GMD, CCM Hub, CRG, Risk and Legal as relevant as to whether the funding application is:
- Shared with the TRP or GAC for review, with specific recommendations to be met by the CCM; or
 - Rejected and returned to the CCM with clear recommendations on how to comply with the eligibility requirements before resubmitting at a subsequent TRP window or GAC meeting.

TRP engagement

50. TRP engagement is differentiated based on the application approach. For Tailored for Transition (Hi/Core or Focused), Full Review, and Tailored for Focused, the TRP conducts an independent technical review of the submitted funding application in line with the criteria and modalities outlined in the [TRP ToR](#).
51. For High Impact and Core portfolios, the CT and technical teams can provide additional contextual analysis or considerations to inform the TRP review through a Secretariat Briefing Note (SBN)³⁸. This is the Secretariat's (i) objective analysis of the proposed investment, (ii) assessment of whether the proposed strategic shifts have been addressed, and (iii) overview of contextual information, including critical elements that are not available in documents submitted by the CCM. The SBN complements the funding application by providing the Secretariat's perspective.

³⁵ Before submitting the funding application, the CCM conducts a completeness check to ensure (i) that key documents are consistent with one another; and (ii) compliant with relevant [Global Fund Funding Request Documents instructions](#).

³⁶ If applicable, this refers to Program Continuation and Investment Priorities application approaches.

³⁷ Endorsement by each member of the CCM (or RCM when applicable) shall be provided. For RCM funding applications, endorsement must also be provided for each country represented in the program by: (i) CCM Chair and (ii) civil society representative if the CCM Chair is the representative of the Government, or the representative of the Government if the CCM Chair is the representative of the civil society.

³⁸ Not required for Focused Portfolios. Refer to Annex 1a on Deliverables by Portfolio Category for more information on differentiation by portfolio category.

52. Following their review, the TRP recommendation results in one of two decisions:
- Recommends Grant-making.** The TRP recommends to the Secretariat and Board that the funding application advances to Grant-making to finalize grant documents.
 - Iteration Required.** The TRP recommends an iteration, i.e. submission of a revised funding application for TRP review. The TRP will include in their review form a list of issues and actions to be addressed in the revised funding application.
53. If a funding application is recommended to Grant-making, the TRP will further:
- Determine whether requirements and conditions related to the aims of the allocation, strategic shifts and matching funds, when applicable, have been met.
 - Review the Prioritized Above Allocation Request (PAAR) and determine which part of it constitutes Unfunded Quality Demand (UQD).
 - Raise specific issues with strategic actions for the CCM to address. These TRP issues are to be cleared by either the TRP or the Secretariat during (i) Grant-making if needed; and/or (ii) during Grant Implementation.
54. The outcome of the TRP review is captured in the TRP Review and Recommendation Form and shared with the CCM. Any messaging emanating from GAC steer, if relevant, is also shared.
55. For Program Continuation, the TRP conducts a streamlined review based on grant documents only when there are material programmatic changes³⁹ compared to the previous IP. The TRP participates in the GAC as technical partner.
56. For CCM Investment Priorities, TRP engagement takes place after the allocation letter is issued to the CCM through a pre-shaping process. Building on the guidance outlined in the allocation letter, and Secretariat feedback, the TRP may provide additional recommendations to the CCM to inform the development of the CCM's investment priorities and subsequent grant documents, support sustainable programming and advance strategic shifts that maximize the impact of the allocation. Following the finalization of Grant-making, the TRP will have access to the grant documentation, in its capacity as a GAC partner, prior to submission for Board approval.
57. **GAC Steer, if applicable.** The CT or GAC members⁴⁰ can request GAC steer⁴¹ at any time before or after the TRP review based on certain pre-identified triggers, including but not limited to (i) risk; (ii) introduction of RBF modalities; (iii) if the strategic shifts and/or potential to maximize impact are at risk of not being achieved; (iv) need for strategic or operational steer to address critical management concerns related to Grant-making; and (v) proposed changes to the AUP; and/or (vi) size of investment or strategic priorities. GAC steer following a TRP review does not impact Grant-making timelines unless the nature of the steer needed from GAC is integral to initiating such negotiations.
58. **Address TRP Issues, if applicable.** By raising TRP issues through the TRP clarifications process,⁴² the TRP ensures that important technical concerns identified during their review of funding applications, if applicable, are addressed in a timely manner. In cases where a TRP issue cannot be addressed due to in-country circumstances or within the required timeframe, it is escalated to the GAC for modification or waiver.

Finalize Grant Documents

59. During this stage, all deliverables required prior to GAC review (see Annex 1a on Deliverables by Portfolio Category and Annex 1b on Adjustments to Deliverables for RBF Grants) are completed, resulting in a finalized disbursement-ready grant for submission to GAC. The PR simultaneously works to ensure implementation readiness by the IP start date.
60. The final grant documents are developed by the PR and reviewed by the Secretariat (and LFA as needed) so that documents are:
- Aligned with the TRP reviewed and recommended funding application, if applicable (including addressing TRP issues due during Grant-making);

³⁹ These are programmatic changes requiring TRP review as defined in the [OPN on Revise Grants](#).

⁴⁰ Including technical and donor partners that participate in the GAC.

⁴¹ Refer to the GAC ToR.

⁴² Standard TRP clarifications process by which the CCM provides responses to the issues raised by the TRP, to be assessed by the TRP or the Secretariat.

- b. Aligned with the Global Fund Strategy, strategic shifts for GC8, and aims of the allocation as defined in the allocation letter;
 - c. Aligned with any additional GAC Steer, if applicable;
 - d. Accurate and clear to ensure quality and timely implementation, monitoring and reporting;
 - e. Streamlined,⁴³ in that they are not overly complex and difficult to report against;
 - f. Consistent with one another (critical for key grant documents such as the PF, Budget and Summary Budget, HPMT or 'HP List – Focused' if applicable, and Grant Confirmation); and
 - g. Compliant with relevant Global Fund policies, guidelines and template requirements.
61. Efficiencies identified during Grant-making⁴⁴ can be reinvested to (i) expand approved activities within the allocation; (ii) fund UQD (with flexibility to invest up to 30% above the UQD amount); and/or (iii) address priority TRP recommendations, as appropriate.
62. **Update UQD-funded activities.** The CT updates the UQD to reduce it by reflecting the latest information for activities that have been partially or fully funded during Grant-making, and subsequently during implementation if applicable.
63. **Update to the PAAR.** During Grant-making, the Secretariat can allow or request the CCM to submit an updated PAAR. PAAR updates can only be triggered by specific instances detailed under Annex 4 on Update the PAAR.

Identify Residual Risks & Mitigating Actions

64. Initial risk assessments shared by the CT and discussed during country dialogue are further developed based on the PR capacity assessment, if applicable, and on review of the funding application and grant documents. Key risks and capacity gaps identified need to be addressed as part of the grant design. Refer to the [OPN on Country Risk Management](#) for more details.
65. Residual risks are reported to the GAC. Depending on criticality, the CT decides if mitigating actions are captured, as (i) legally binding grant requirements in the Grant Confirmation to address a critical risk or issue related to implementation; (ii) key mitigating actions captured in the IRM; or (iii) management actions.⁴⁵

Ensure Implementation Readiness

66. To ensure implementation readiness, the PR needs to initiate the following deliverables⁴⁶ as soon as possible during Funding Request, so that they are near finalized at the time of GAC review and completed by the IP start date. Contracts with SRs, suppliers, PR human resources among others are signed immediately upon Global Fund Board approval of the grant.⁴⁷
67. **Early selection and contracting of PR human resources.** The PR defines the staffing structure, prepares ToRs and identifies/selects PR human resources against approved ToRs. For PRs continuing to the next IP, this entails updating already existing ToRs and extending contracts of well-performing human resources⁴⁸ into the next IP.
68. **Early selection and contracting of SRs.** In line with the defined implementation arrangements, the PR selects SRs following guidance in Annex 2 on Selecting Implementers of Global Fund Grants. Official names of SRs are captured in the Budget.
69. **Early selection and contracting of suppliers for health products and critical services for year one.**⁴⁹ Procurement of health products and critical services are done through the Global Fund Pooled Procurement Mechanism (PPM), other pooled procurement mechanisms⁵⁰, and/or PR own procurement processes.

⁴³ The CT and PR are expected to use flexibilities available to simplify grant documents such as Budget and PF for Focused portfolios.

⁴⁴ If applicable. Efficiencies are not relevant in a RBF context or for Focused application approach.

⁴⁵ Risk independently flags to GAC strategic risks it sees as inadequately mitigated or addressed to inform GAC's investment decision. For more information on key mitigating actions and management actions, refer to the Guidance on Mitigating Actions.

⁴⁶ Focused Portfolios are not required to report on Implementation Readiness deliverables. Refer to Annex 1a on Deliverables by Portfolio Category for more information on differentiation by portfolio category.

⁴⁷ Alternatively, the PR can assess if contracts can be signed earlier with adequate conditionality pending Global Fund Board approval of the grant and where this is consistent with local laws and the PR's own internal procedures.

⁴⁸ As determined by the PR.

⁴⁹ Such as fiscal/fiduciary agents, and in cases where warehousing or distribution services need to be in place without a break in contract.

⁵⁰ e.g., Pan American Health Organization Strategic Fund.

- a. For procurement of health products or critical services through the PR's own processes, suppliers are selected with approved ToRs as early as possible and contracted immediately upon Global Fund Board approval of the grant.⁵¹ Where recurrent procurement activities are anticipated, it is recommended for contracts to cover the duration of the IP.
 - b. For procurement of health products through PPM, the [OPN on Pooled Procurement Mechanism](#) applies.
70. **Agreed implementation work plan for IP year one.** As a best practice, the PR develops an implementation work plan for year one which includes fully defined implementation arrangements and the planned activities, timelines and assigned responsibilities to deliver the agreed targets in the PF and in line with the Budget.⁵¹ The [Operational Procedures on Oversee Implementation and Monitor Performance](#) provide best practice guidance on implementation work plans.
71. The Global Fund does not require a competitive re-selection of well-performing PR human resources and SRs for each IP. The selection of PR human resources, SRs and Suppliers must comply with the [Global Fund Grant Regulations](#) (as amended from time to time and available on the Global Fund's website), including the [Guide to Global Fund Policies on Procurement and Supply Management of Health Products](#) and other applicable laws and regulations. Contracts for PR human resources, SRs and Suppliers must be consistent with relevant terms and conditions of the Grant Agreement.
72. The PR is primarily responsible for achieving implementation readiness before the IP start date. The CT has a crucial role in assisting the PR to achieve this objective. As appropriate, the CT works with the PR to identify support mechanisms depending on the PR type and its circumstances (see Annex 3 on Advance Payment Mechanism).
73. The PR takes the necessary steps to ensure key elements such as tax exemptions, insurance and/or relevant registrations to implement activities in the country are completed prior to the IP start date.⁵²

GAC Review

74. The CT summarizes the outcomes of Grant-making and captures required actions towards implementation readiness in the Grant-Making Final Review Form. The FPM⁵³ ensures that all CT members and other relevant teams have reviewed and endorsed the grant documents based on their areas of responsibility and accountability and submits the final grant on behalf of the CT. Areas of disagreement among CT members and other teams are resolved through escalation to relevant managers. Any critical strategic and key compliance issues for GAC attention and/or decision are captured in the Grant-Making Final Review Form.
75. Prior to submission to GAC, the authorities set out in the table below review the outcomes of Grant-making and confirm readiness of the grant for GAC submission, including signing off on issues for GAC attention. The GFM confirms the financial management arrangements of the grants,⁵⁴ grant financial data and pre-approves the first AFD for the grant provided this is processed within 30 days of the grant purchase order approval.⁵⁵

Portfolio Category	Authorities
- High Impact and Core - Focused portfolios managed by Senior FPM, Cluster Lead ⁵⁶	RM/DH
Other Focused portfolios	Senior FPM, Cluster Lead ⁵⁷ or RM/DH

76. The GAC makes the final determination of disbursement readiness and reviews for the grant's strategic focus, catalytic impact and consistency with policy requirements, in line with its ToR.

⁵¹ Implementation work plan also needs to consider any insurance arrangements and arrangements relating to state approvals, consents and registrations that can impact year one activities.

⁵² Refer to the [Guidelines for Grant Budgeting](#) for more information.

⁵³ For portfolios with Disease Fund Managers (DFMs) the submission is done by the DFM and approved by the Senior FPM.

⁵⁴ Including but not limited to budgeting, accounting, internal controls, funds flow arrangement, financial reporting, and financial risk and assurance framework of the grant, except in the case of PFRs which inherently shifts the Global Fund's focus from financial inputs to programmatic results.

⁵⁵ Refer to the [OPN on Make Annual Funding and Disbursement Decisions](#) for more details.

⁵⁶ RMs retain approval authority for all portfolios directly managed by Senior FPM, Cluster Leads.

⁵⁷ If applicable, approval authority delegated to Senior FPM, Cluster Leads for Focused portfolios, including multicountry grants, in officially designated department clusters.

77. Based on its review, the GAC (a) recommends the grant, if deemed disbursement-ready, for the Global Fund Board's approval; or (b) refers the proposed grant to the CT for revision or adjustments. Material⁵⁸ programmatic changes to a TRP-recommended funding application as a result of Grant-making are reviewed by the TRP prior to GAC submission. The GAC can also recommend further actions for follow-up during grant implementation.
78. For grants recommended by GAC for Board approval, the grant signature process by the PR and CCM is initiated contingent on Board approval, unless GAC decides otherwise.

Global Fund Board Review and Approval

79. Board approval of disbursement-ready grants is requested via an electronic report in which the Secretariat summarizes the investment and salient points from the GAC discussion, including issues for transparency and accountability to the Board. The Board approves new funding for each country disease component, and its constituent grants.

Initiate IP Reconciliation or Grant Closure

80. In parallel with the Funding Request and Grant-making processes, the CT and PR initiate the IP Reconciliation or Grant Closure process for the current grants, no later than six months before the IP end date. Requirements vary depending on the closure type (see [OPN on Reconcile IP and Close Grants](#)).
81. The IP Reconciliation/Grant Closure, Funding Request and Grant-making processes are closely linked.⁵⁹
- Budgeting for the next IP/grant considers existing program assets from the current IP/grant. It is important that PRs implementing the current IP/grant regularly maintain up-to-date inventory of program assets;
 - Long-outstanding recoveries from current or previous IPs may reduce the GC8 allocation (see [OPN on Recovery of Grant Funds](#));
 - Contracts and program assets are transferred from the outgoing to the incoming PRs when a grant closes due to change of PR. As soon as a new PR is nominated and before the end of the IP, the transfer of program assets and the best approach for managing existing contracts are agreed between the outgoing and the incoming PRs.

SIGN & GET READY

Sign Grant Confirmation

82. The signed Grant Confirmation⁶⁰ is the legal instrument that, together with the Framework Agreement (if applicable), forms the basis of the contractual obligations between the Global Fund and the PR (or Grantee⁶¹) for the relevant IP.
83. The Grant Confirmation is signed⁶² by the PR (or Grantee) and acknowledged by the CCM/RCM Chair⁶³ and relevant CCM/RCM representative,⁶⁴ before it is counter-signed by the Secretariat per the Delegations of Signature Authority (as amended from time to time). The Secretariat signature of the Grant Confirmation triggers the process for approval of the grant purchase order.

Process First Annual Funding Decision and Disbursement and Other Deliverables

84. The first AFD⁶⁵ and disbursement are completed based on cash requirements in line with the approved Budget and annual workplan, if applicable. AFDs processed within 30 days from the grant purchase order approval are pre-approved by the GFM as part of the submission to GAC (refer to the [OPN on Make Annual Funding and Disbursement Decisions](#)).

⁵⁸ These are programmatic changes requiring TRP review as defined in the [OPN on Revise Grants](#).

⁵⁹ For RBF specific adjustments, see Annex 1b on Adjustments to Deliverables for RBF Grants.

⁶⁰ A standalone grant agreement(s) can be used in certain cases.

⁶¹ An independent entity who signs a Framework Agreement with the Global Fund. PR and grantee can be the same entity or separate entities.

⁶² Ideally, the Grant Confirmation is signed two months before the IP start date.

⁶³ In the absence of the CCM/RCM Chair, endorsement by the Vice Chair is acceptable if in line with the CCM/RCM's governing documents.

⁶⁴ The civil society representative if the CCM/RCM Chair is the representative of the government, or the representative of the government if the CCM/RCM Chair is the representative of civil society.

⁶⁵ For Focused portfolios, the first AFD is expected to cover three years, with yearly annual commitments.

85. Grant activities can be initiated once the Grant Confirmation is fully signed using either cash balance from a previous grant, if applicable, or the funds disbursed under the first AFD. Activities to be implemented after Grant Confirmation signature and before the IP start date require CT prior written approval.
86. The CT and PR agree on audit arrangements, such as the type and scope of audit, and the overall approach to selection and approval of the auditor. The auditor is selected following timelines defined in the [Guidelines for Annual Audit of Global Fund Grants](#). The audit fee, if applicable, is reflected in the grant budget.
87. For High Impact and Core portfolios, the PR completes a Rapid Sexual Exploitation, Abuse and Harassment (SEAH) Risk Assessment (link forthcoming) to identify and mitigate SEAH risk within grant activities, to protect beneficiaries, and particularly vulnerable populations. It is expected that representatives of grant beneficiaries and peer cadres participate in the completion of the assessment.

Specific Multicountry Considerations

88. Multicountry grants refer to grants financed through:
 - a. pooled country allocations (e.g., Multicountry Western Pacific and Multicountry Caribbean);
 - b. a combination of pooled country allocations and Catalytic Investments such as the Regional Artemisinin-resistance Initiative (RAI); and
 - c. Catalytic Investments only – Multicountry Modality.
89. The Global Fund can make funding available on a regional or multicountry level. Regional or multicountry applicants can be an RCM or RO.
90. Multicountry grants generally follow the same requirements set out in this OPN, with the following specific considerations.
 - a. The legal and political considerations and logistics of cross-border implementation are considered during grant design and defining assurance activities.
 - b. Co-financing commitments for multicountry grants are defined in the [OPN on Co-Financing](#).
 - c. Catalytic multicountry grants are subject to distinct document requirements, as set out in the [Catalytic Multicountry Funding Guidelines](#) (forthcoming).
91. In line with the Global Fund Eligibility policy⁶⁶, multicountry grants can include countries which are no longer eligible for a Global Fund allocation. Multicountry grants can provide support to countries which do not have a CCM so long as the RCM or RO can demonstrate it has engaged with key stakeholders.
92. For provisions relating to RCMs and ROs and their roles, eligibility, and oversight arrangements, including the applicability of CCM Eligibility Requirements 1–6, refer to the [Country Coordinating Mechanism Policy Including Principles and Requirements](#).
93. Where grants in countries with existing CCMs are subsumed into a multicountry grant managed by an RO or RCM and there are no remaining components outside of the multicountry grant in individual countries, Global Fund-financing of those CCMs may need to be replaced by domestic resources.
94. RCMs must represent and engage with CCMs in the eligible countries included under the grant, if applicable.

Specific Considerations for Results-based Financing Modalities

95. **Results-based financing (RBF)** is a form of financing in which payments are made purely based on verified results against agreed performance indicators instead of inputs. The Global Fund encourages CCMs and PRs to consider RBF where this can result in increased program effectiveness and maximize impact of Global Fund investments toward health outcomes. There are two RBF modalities.

⁶⁶ Per [Global Fund Eligibility Policy](#), paragraph 13, footnote 17: 'Multicountry Funding Requests can either be funded by grouping single country allocations or can be funded through catalytic multicountry funding. For the purposes of determining whether a multicountry applicant meets the 51 percent criteria, country components that voluntarily transitioned, have or are receiving Transition Funding will be considered as 'eligible', unless they are classified as 'High Income'.

- a. **Payment for Results (PfR)** is a modality in which the Global Fund makes payments to the PR based on the verification of results against agreed performance indicators. The Global Fund can apply PfR with any type of PR.⁶⁷
 - b. **Results-Based Contract (RBC)** is a modality in which a PR or SR makes payments to an SR/SSR or supplier based on verification of results against agreed performance indicators. When the cumulative total contract amount of all RBCs for one grant is above US\$ 1 million (Focused) or US\$ 3 million (High Impact and Core), the PR is considered to have a **Material RBC**. When the total RBC amount for a grant is below the defined thresholds, the PR is considered to have a **Non-Material RBC**.
96. The Global Fund undertakes a thematic assessment of PRs that are implementing RBF for the first time. Only PfR and Material RBC arrangements require review by the Secretariat.
97. All RBFs must have the following elements, which are further detailed in the Technical Brief on Payment for Results:
- a. Performance indicators that are linked to disbursements or payments (disbursement-linked indicators, DLIs). These can be at the impact, outcome, coverage, output, activity or workplan-tracking measures level, whichever best incentivizes value-for-money achievement of results.
 - b. A clear and reasonable payment scheme for verified results against the DLIs; and
 - c. A clear and reasonable methodology to verify reported results against the DLIs.
98. During the Funding Request process, the CCM can consider applying any of the RBF modalities following discussion and agreement with the Secretariat. If agreed, the CCM will include the relevant information in the funding application, submit the funding application for TRP review (if applicable), and refine the RBF elements during the Grant-making process. For more details, refer to the Global Fund [Applying for Funding](#) instructions, the PfR and RBC requirements in [relevant OPNs and the Guidelines for Grant Budgeting](#). If used in combination with blended financing, refer to the relevant sections in the [OPN on Blended Finance and Joint Investments](#).
99. During Grant-making, all grants applying RBF follow the Grant-making processes set out in this OPN, with adjustments to the deliverables as detailed in Annex 1b on Adjustments to Deliverables for RBF grants. For grants that are not full RBF, these adjustments apply to the RBF component only.
100. The GAC recommendation to the Board of a grant containing PfR or Material RBC signifies:
- a. The grant is disbursement-ready as per definition in this OPN;
 - b. The application of RBF is justified from a programmatic and value for money perspective;
 - c. GAC approval of additional waivers/adjustments to relevant provisions of the [Grant Regulations](#) and Operational Policies that are required for RBF implementation; and
 - d. The RBF is designed to adequately mitigate RBF-specific risks. The risk trade-off and any residual risks related to the proposed RBF are acceptable.

⁶⁷ Blended finance and other innovative finance investments are excluded from this OPN and are described in the [OPN on Blended Finance and Joint Investments](#).

Annex 1a. Deliverables by Portfolio Category

- Tables 1 and 2 below define the differentiated deliverables for each portfolio category (High Impact, Core and Focused) and for Focused portfolio management models⁶⁸ (Aligned, Targeted, and Light) for country and multicountry portfolios. Table 2 also specifies which deliverables are required for submission to TRP and/or GAC.
- Adjustments to these deliverables for grants applying the RBF modalities are captured in the succeeding Annex 1b on Adjustments to Deliverables for RBF Grants. Additional flexibilities for multicountry portfolios financed under the Catalytic Multicountry Funding, COE portfolios are also captured in the footnotes. The CT must consider these differentiated requirements when providing guidance to CCMs and PRs.

Table 1. List of Deliverables by Portfolio Category

Deliverables	HI & Core	Focused			Differentiation for Focused
		A	T	L	
DEFINE & COMMUNICATE					
Defined and approved application approach	R				Three application approaches apply to Focused portfolios: Tailored for Transition (Focused), Tailored for Focused and CCM Investment Priorities. The applicable application approach for each portfolio is communicated in the allocation letter
Issued allocation letters	R				
DESIGN & SUBMIT					
Determined submission pathway	R				Three submission pathways apply to Focused portfolios: Grant Ready Funding Request, Classic Funding Request and Investment Priorities Request. The CCM, in consultation with CT, decides on the submission pathway
Agreed program split for the disease components, including RSSH	R				Program split confirmation is not required unless a change to the original program split is proposed. The template does not request an intended investment amount for RSSH
Nominated and agreed PR(s)	R				
Completed capacity assessment, if applicable	R				Capacity assessment required only for new PRs; not required for existing PRs. If required, PR completes a capacity self-assessment Refer to the OPN on Country Risk Management
Approved GED	R				
Completed inclusive country dialogue for all components	R				Differentiated scope and scale of country dialogue focusing on priority investment areas indicated in the allocation letter or other Global Fund communications
Convened at least two CCM meetings to receive briefing from PR	R		BP		
Convened one dedicated CT meeting to brief and receive feedback from community and civil society representatives			BP		
Planned end-to-end Funding Request and Grant-making processes			R		
Held kick-off meeting and engaged with Secretariat proactively and continuously	R		BP		
Confirmed additional resourcing, if applicable			R		

⁶⁸ See [Management Models for Focused portfolios](#) and GC8 Portfolio Categorization and Focused Management Models for more information.

Approved advance payment, if applicable	R	
Submitted application package to the Global Fund (see Tables 2 and 3)	R	
REVIEW & APPROVE		
Assessed CCM eligibility requirements 1 and 2	R	
Completed Secretariat Briefing Note	R	-
Issued TRP Review and Recommendation Form, if applicable	R	
Finalized grant documents (see Tables 2 and 3)	R	
Captured residual risks and key mitigating actions in IRM	R	-
Approved ToRs and contracting of PR human resources, SRs, and Suppliers	BP ^a	-
Approved PPM purchase requisition for health products for year one, if applicable	BP	-
Agreed implementation work plan for year one of the IP	BP	
Submitted disbursement-ready grant for GAC review and recommendation ⁶⁹	R	Focused portfolios follow different submission timelines for GAC review
Captured GAC recommendation in GAC electronic Report to the Board	R	
Board-approved disbursement-ready grant	R	
SIGN & GET READY		
Execution-ready Grant Confirmation	R	
Approved grant purchase order	R	
Processed first AFD & Disbursement	R	The first AFD is expected to cover three years, with annual disbursements ⁷⁰ See OPN on Annual Funding Decision and Disbursement
Agreed Audit Arrangements	R	For grants with budget below USD 10M: a single grant-specific audit is conducted in the third year, covering the entire IP. See Guidelines for Annual Audit of Global Fund Grants
Completed Rapid SEAH Risk Assessment	R	-

Level of Requirements

- R Required
- BP Best Practice
- Not required

Focused Portfolios

- A Aligned
- L Light
- T Targeted

^a Except if applicable laws or regulations do not allow

Table 2. Required Documents for Full Review, Tailored for Transition and Tailored for Focused

Documents	HI/CORE		FOCUSED		Differentiation for Focused
	Full Review	Tailored for Transition	Tailored for Transition	Tailored for Focused	
Funding Application					
Application Form		R			
PF (Grant PF for Grant-ready Funding Request (GRFR))			R		Focused not required to include impact and outcome indicators. Maximum of 5 (3 for Aligned) coverage indicators per component. Refer to the Guidelines for Developing and Reviewing Performance Frameworks (link forthcoming)
Budget (Grant Budget for GRFR)			R		Classic FR:

⁶⁹ GAC transformation is underway. This section will be updated once final decision is made.

⁷⁰ Since this measure is dependent on system adaptations. CT need to liaise with the GFSC Team to inquire about readiness before initiating the first AFD.

Documents	HI/CORE		FOCUSED		Differentiation for Focused
	Full Review	Tailored for Transition	Tailored for Transition	Tailored for Focused	
					<p>Aligned: Annual budget amounts in the Budget form or Application Form narrative section</p> <p>Targeted and Light: <u>Budget</u> amounts at module/interventions, cost grouping and implementer levels using Budget form.</p> <p>Grant-ready FR: see Grant Budget under Grant-making</p> <p>Refer to Appendix 2 on Focused Portfolios Management Models of the Operational Guidance for Grant Budgeting</p>
HPMT, if applicable ^a	R		-		<p>No HPMT required for Focused portfolios. The 'HP List – Focused' tab in the Budget apply as follows:</p> <p>For Light;</p> <p>For Input-based modules of Targeted;</p> <p>For Aligned and Results-based modules of Targeted where PPM and/or GDF are used for procurement by PRs. The HP List is for financial disbursement purposes.</p> <p>Refer to Appendix 11 (forthcoming) of the Operational Guidance for Budgeting Guidelines</p>
Programmatic Gap Table(s) for each relevant disease component For Malaria, use the RBM Partnership Malaria Gap Table	R		-		
Funding Landscape Table	R				Focused use a separate FLT template. It is only required to include aggregate backward-looking disease expenditure. All other sections are optional. Refer to the OPN on Co-financing
Prioritized Above Allocation Request	R				
Assessment of Barriers to HIV, TB and Malaria Health Services	R/BP ^g		-		
National Health Sector Plan and National Strategic Plan(s), as relevant	R				
Sustainability and Transition Documentation, if available	BP		-	BP	
Transition Workplan	-		R	R	
Funding Priorities from Civil Society and Communities Annex	R		-		
Evidence of realization of GC7 co-financing commitment	R				
CCM Statement of Compliance	R				
CCM Endorsement	R				
Grant-making Submission					

Documents	HI/CORE		FOCUSED		Differentiation for Focused
	Full Review	Tailored for Transition	Tailored for Transition	Tailored for Focused	
Grant Confirmation agreed with PR ^b	R				
Grant PF	R				Same as above
Grant Budget, including Summary Budget	R				All Focused portfolios complete and submit the Budget form: - Aligned: Annual budget amounts at module/interventions, cost grouping and implementer levels. PR include limited budget lines at the highest level possible; - Targeted and Light: budget amounts at module/interventions, cost grouping and implementer levels. Refer to Appendix 2 on Focused Portfolios Management Models of the Operational Guidance for Grant Budgeting
HPMT, if applicable	R		-		Same as above
Implementation Arrangements Map, if applicable ^c	R		-		Required only for Focused portfolios impacted by major sanctions regimes
Updated Programmatic Gap Table(s) ^e	R		-		
M&E Plan ^f	R		-		
Co-financing online form ^d			R		
Co-financing Commitment Letter ^d			R		
Updated UQD Register, if applicable ^e			R		
Applicant Response for TRP issues to be addressed during Grant-making, if applicable			R		
Grant-Making Final Review Form ^b			R		
Grant Signing Calculator incl. Grant Exception & Escalation Form ^b			R		
			R		

Required documents submitted to the TRP during Funding Request stage and/or GAC during Grant-making.

^a HPMT is not submitted by CCM as part of the funding application. For Grant-ready Funding Requests, PRs are required (highly encouraged for Classic Funding Requests) to submit the HPMT directly to the Global Fund prior to TRP for High Impact and Core portfolios.

^b Prepared by the Secretariat.

^c Only required for HI/Core in case of (i) new entities (PRs/SRs/other incl. supply chain & fiduciary); (ii) new activities; (iii) sanctions; or (iv) at CT discretion (i.e. significant changes in risk or funding landscape). Otherwise, implementation arrangements map of the current grants is assumed to apply.

^d Refer to the [OPN on Co-Financing](#).

^e Update required during Grant-making in case of material changes from the version submitted with the funding application.

^f For existing PRs, if the M&E plan is not updated by grant signing, the CT ensures that the PR updates the plan within an agreed timeframe for submission before the end of the first year of the IP.

^g Best Practice for Core portfolios.

Table 3. Required Documents for Program Continuation and CCM Investment Priorities

Documents	HI/Core	Focused	Differentiation for Focused
	Program Continuation	CCM Investment Priorities	
CCM Investment Priorities Form	-	R	
Grant Confirmation agreed with PR ^d	R		

Documents	HI/Core	Focused	Differentiation for Focused
	Program Continuation	CCM Investment Priorities	
Grant PF	R		Focused not required to include Impact and outcome indicators. Maximum of 5 (3 for Aligned) coverage indicators per component. Refer to the Guidelines for Developing and Reviewing Performance Frameworks (link forthcoming)
Grant Budget, including Summary Budget	R		All Focused portfolios complete and submit the Budget form: - Aligned: Annual budget amounts at module/interventions, cost grouping and implementer levels. PR include limited budget lines at the highest level possible; - Targeted and Light: Budget amounts at module/interventions, cost grouping and implementer levels. Refer to Appendix 2 on Focused Portfolios Management Models of the Operational Guidance for Grant Budgeting
HPMT, if applicable	R	-	No HPMT required for Focused portfolios. The 'HP List – Focused' tab in the Budget applies to the following models: Light; Input-based modules of Targeted; Aligned and/or Results-based components of Targeted where PPM and/or GDF are used for procurement by PRs. The HP List is for financial disbursement purposes. Refer to Appendix 11 (forthcoming) of the Operational Guidance for Budgeting Guidelines
Funding Landscape Table	R		Focused use a separate FLT template. It is only required to include aggregate backward-looking disease expenditure. All other sections are optional. Refer to the OPN on Co-financing
Implementation Arrangements Map, if applicable ^a	R	-	Required only for Focused portfolios impacted by major sanctions regimes
M&E Plan ^b	R	-	
Evidence of realization of GC7 co-financing commitment	R		
Co-financing online form ^c	R		
Co-financing Commitment Letter ^c	R		
CCM Statement of Compliance	R		
CCM Endorsement	R		
Grant-Making Final Review Form ^d	R		
Grant Signing Calculator incl. Grant Exception & Escalation Form ^d	R		

 Required documents submitted to the GAC during Grant-making.

^a Only required for HI/Core in case of (i) new entities (PRs/SRs/other incl. supply chain & fiduciary); (ii) new activities; (iii) sanctions; or (iv) at CT discretion (i.e. significant changes in risk or funding landscape). Otherwise, implementation arrangements map of the current grants is assumed to apply.

^b For existing PRs, if the M&E plan is not updated by grant signing, the CT ensures that the PR updates the plan within an agreed timeframe for submission before the end of the first year of the IP.

^c Refer to the [OPN on Co-Financing](#)

^d Prepared by the Secretariat

Annex 1b. Adjustments to Deliverables for RBF Grants

1. This table reflects the adjustments to the Funding Request and Grant-making deliverables defined above for RBF arrangements. If no adjustments are defined for a specific deliverable, the standard deliverable defined above applies. For grants that do not apply a full RBF modality, these adjustments apply to the RBF component.

Deliverables	Payment for Results	Results-Based Contract
PF	Captures DLIs ⁷¹	To the extent possible, align PF indicators and RBC DLIs
Budget ⁷²	Global Fund Budget categorizes Grant Funds managed under PfR/RBC in the appropriate cost category. The budget for the PfR/RBC component is aligned with the defined payment terms and schedule.	
RBF Documents	For all PfRs: <ul style="list-style-type: none"> • Payment Terms • Verification Approach The final version of these documents will be annexed to the Grant Confirmation (see Grant Confirmation section).	When a PR has a Material RBC, the PR submits documentation capturing the following information for each RBC: <ul style="list-style-type: none"> • DLIs • Payment Terms • Verification Approach
Implementation Arrangements Map (for HI & Core)	Identifies which entities are implementing through PfR/RBC, including the verifier of results.	
Tailored Thematic Assessment of PR/country systems	Thematic Capacity Assessment ⁷³ undertaken by the Global Fund for PRs applying RBF for the first time . Exceptions, to the assessment is determined on a case-by-case basis ⁷⁴ . The tailoring must consider already existing assessments and clearly define scope of any additional assessment. Assessment to be undertaken as soon as the PR is nominated and a decision to undertake RBF is made.	
	<p>Scope includes:</p> <ul style="list-style-type: none"> • Reliability and timeliness of data management system for generating results against DLIs • Design of PfR, including verification approach, aligned with Global Fund Technical Brief on Payment for Results • Reliability of PR's financial management systems • Reliability of PR's integrity/ethical systems to prevent and address prohibited practices.⁷⁵ <p>Assessment not required when DLI is structured as a one-off payment to incentivize meeting a specific milestone (e.g., final payment if malaria elimination is achieved).</p>	<p>Material RBC: Tailored assessment required when a PR has a Material RBC. Scope includes PR capacity to:</p> <ul style="list-style-type: none"> • Design of RBC, including verification approach; • Select and evaluate capacity of RBC implementers; and • Oversee RBC implementation, verification and make timely payments. <p>Non-Material RBC: Simple and differentiated assessment will be undertaken focusing on PR policies and procedures to oversee an RBC.</p> <p>In general, the PR undertakes the assessment of SR/SSR or supplier that will implement through RBC. The Global Fund reserves the right to undertake the assessment of SR/SSR or supplier in certain cases based on risk considerations.</p>
Assessment of the Verifier of Results (when the LFA is not the verifier). Applies to new Verifier which has	For all PfRs, the PR undertakes the assessment of the Verifier prior to contracting.	If the PR decides to use an external service provider for the verification of results, the PR assesses the capacity of the verifier prior to contracting.

⁷¹ Refer to the Guidelines for Developing and Reviewing Performance Frameworks (update forthcoming).

⁷² For Focused – Targeted Model, refer to Annex 2 of the [Operational Guidance for Grant Budgeting](#) for required level of detail.

⁷³ Available through the Integrated Risk Management (IRM) module in GOS.

⁷⁴ For instance, use of already existing assessments done by partners, reports available following prior piloting of the RBF approach.

⁷⁵ Refer to the [Code of Conduct for Recipients of Global Fund Resources](#) and [The Global Fund Policy to Combat Fraud and Corruption](#) for principles, standards and requirements.

not been previously assessed.		The Global Fund can request the LFA to undertake spot checks of RBC implementation.
Updated IRM (for HI & Core)	Reflects risk of adopting the RBF and potential mitigating actions, as appropriate (for PfR and Material RBC).	
Grant Confirmation	<ul style="list-style-type: none"> All RBF Grant Confirmations must include a specific grant requirement regarding the applicable RBF. Further information can be found in the Annex on Standard Requirements for Results-based Financing Modalities (forthcoming). 	
	<ul style="list-style-type: none"> Schedule with Payment Terms Schedule with Verification Approach. 	
Grant-Making Final Review Form	<ul style="list-style-type: none"> Flags any additional waivers to the Grant Regulations or Operational Policies needed to implement through RBF with relevant details contained in the Grant Confirmation. Reflects how risks of adopting RBF are mitigated including through the RBF design. 	
Agreed Audit Arrangements	Specific RBF auditing process set out in the Global Fund Guidelines for Grant Budgeting . Audit approach and selection of auditors follow the Global Fund Guidelines for Annual Audit of Global Fund Grants .	
First AFD & Disbursement	Based on budget which is aligned with the defined payment terms and schedule. Any advance payment provided in the first AFD to be considered in subsequent AFD/disbursement amounts.	

2. The PR and CT finalize the RBF elements and Grant-making requirements. The following departments focus their existing engagement during Grant-making on the RBF elements:

Functional Teams	RBF-specific Roles	Portfolio Differentiation
RSSH Measurement	<p>All RBF:</p> <ul style="list-style-type: none"> Advise on scope of additional assessment of PR/country M&E systems PfR and Material RBC. Contribute to the review of the verification methodology and provide guidance on the PR's assessment of verifier of results (if not LFA) Contribute to the review if DLIs are supported by adequate M&E systems 	HI, Core & Focused
Grant Financial Management Department	<p>All RBF.</p> <ul style="list-style-type: none"> Advise on scope of additional assessment of PR/country financial management system Approve the financial assurance plan including audit and other financial verifications necessary <p>PfR and Material RBC.</p> <ul style="list-style-type: none"> Review and approve payment structure Provide support during preparation and review of the costing behind the DLIs 	HI, Core & Focused
Risk Management	PfR and Material RBC. Review risk assessment and proposed mitigating actions and assurance plan (same for standard grants)	HI & Core
TAP and CRG	PfR and Material RBC. At CT request, contribute to the review of DLIs to ensure (i) alignment with program objects and DLIs are SMART, and (ii) targets are ambitious and feasible	HI & Core
Health Finance Department	PfR and Material RBC. At CT request, provide support in the design of RBFs (including payment structure)	HI, Core & Focused

Annex 2: Selecting Implementers of Global Fund Grants

1. This annex sets forth the working definitions⁷⁶, eligibility and selection requirements for implementers of Global Fund grants for the purpose of the grant lifecycle operations and grant deliverables.

Types of Implementers

2. Global Fund implementers are entities which implement defined⁷⁷ grant activities, using Grant Funds.⁷⁸
 - a. **Principal Recipient (PR)** is the entity which ensures the implementation of activities funded with Grant Funds in accordance with the terms of the signed Grant Confirmation, Framework Agreement, and other documents⁷⁹ forming part of the Grant Agreement with the Global Fund. For most grants, the PR is fully responsible for grant implementation.
 - b. **Lead Implementer (LI)**⁸⁰ is an entity that leads grant implementation in defined cases where a government implementer is not mandated to sign Grant Confirmations per national laws or for other legal reasons. In such cases, the mandated government entity signs the Grant Confirmation as PR with the government implementer acting as LI. This assignment does not change or waive the accountability and responsibilities of the PR for implementation of the grant under the terms of the relevant Grant Agreement.
 - c. **Sub-recipient (SR)**⁸¹ is the entity which receives Grant Funds directly or indirectly from the PR and implements defined grant activities under the oversight of the PR. SRs are accountable to the PR with respect to the use of Grant Funds and grant activities assigned to them and must comply with requirements that are generally equivalent to the obligations of the PR under the PR's own agreement with the Global Fund.⁸²

All recipients of Global Fund grant funds are required to comply with the [Code of Conduct for Recipients of Global Fund Resources](#) (as amended from time to time).
 - d. **Suppliers**⁸³ are not considered implementers. Suppliers mean collectively, without limitation, all bidders, suppliers, agents, intermediaries, consultants and contractors, who are not the PRs or SRs but provide goods and/or services to a Program.

All suppliers are required to comply with the [Code of Conduct for Suppliers](#) (as amended from time to time).

3. **PRs.** The PR must be nominated by the CCM, RCM or RO, can be a new or existing implementer and is required to be a nationally recognized legal entity from the public or private sector or civil society. The CCM must follow a transparent, inclusive and well-documented process in the selection process aligned with the CCM eligibility criteria as set out in the [CCM Policy](#). This criteria also applies for RCMs requesting Global Fund funding. Non-CCMs and ROs do not have to apply eligibility criteria when selecting PRs, although it is strongly recommended that they implement them to the extent possible.
4. The PR must be selected and nominated to the Global Fund as soon as possible following receipt of the allocation letter. Prior to accepting a new PR⁸⁴ nominated by a CCM, the LFA⁸⁵ (as requested by the CT) assesses whether the PR's systems and capacities are adequate for the effective management of grant funds (refer to the [OPN on Country Risk Management](#)). The Regional Manager or Department Head⁸⁶ decides to accept or reject the nominated PR, based on the recommendations of the CT and the capacity assessment, if applicable.

⁷⁶ The definitions in the Global Fund [Grants Regulations](#) take precedence in case of conflict.

⁷⁷ Defined grant activities as per the budget, annexed to the Grant Confirmation.

⁷⁸ Refer to the [OPN on Oversee Implementation and Monitor Performance](#) on how the Global Fund monitors implementation and performance

⁷⁹ These include the [Grant Regulations](#) (as amended from time to time), the [Global Fund Guidelines for Grant Budgeting](#) (as amended from time to time), and other documents incorporated by reference, including the [Guide to Global Fund Policies on Procurement and Supply Management of Health Products](#), the [Code of Conduct for Recipients of Global Fund Resources](#), the [Code of Conduct for Suppliers](#), the [Guidelines for Annual Audit of Global Fund Grants](#) and other operational policies as communicated in writing to the PRs.

⁸⁰ As defined in the [OPN on Grant Entity Data](#).

⁸¹ Note that under [Grant Regulations](#) (as amended from time to time), the term 'Sub-recipient' is defined to include recipients who receive grants funds 'indirectly' from the PRs. Depending on the grant's implementation arrangements, implementers therefore also include subsequent levels of SRs e.g. Sub-sub-recipients (SSRs) and Sub-sub-sub-recipients (SSSRs).

⁸² Refer to Article 4(4.3) of the [Grant Regulations](#).

⁸³ Referred to as Third-Party Organizations in some documents.

⁸⁴ Includes (i) all new PRs who have not previously implemented the disease component; and (ii) existing PRs who will be implementing new major activities for which their capacity has not been previously assessed.

⁸⁵ When required, the capacity assessment for Focused portfolios is undertaken through a PR self-assessment and an LFA assessment if the self-assessment indicate major risks. A thematic (tailored) capacity assessment is required when PFR or RBC are used for the first time. This is to ensure the Secretariat has sufficient assurance on the internal controls and their effectiveness

⁸⁶ For High Impact Departments.

5. For countries managed under the Additional Safeguard Policy (ASP), the Secretariat, led by the CT, is more directly involved in the selection of implementers in order to mitigate risks and ensure accountable use of grant funds (refer to the [OPN on Additional Safeguard Policy](#)).
6. In exceptional cases⁸⁷, if the CCM and/or the CT conclude that no local/national entity can be appointed as PR to undertake grant implementation, the country office of a multilateral organization⁸⁸ (e.g., multilateral organizations such as UN entities or international NGOs) can be selected as PR. In this case, justification must be presented that there are no national entities with the requisite capacity. The Global Fund expects that engaging multilateral organizations or international NGOs to be PR as temporary, and that one or several national entities can be phased-in as PR(s) once their capacities have been strengthened. The Grant Agreement with a non-national entity PR can include plans for developing the capacity of one or several national entities and a timeline for transferring PR responsibility to them.⁸⁹
7. In rare cases where no other options are considered as acceptable, bilateral organizations (including the consulting arm of bilateral organizations, even if these are private entities) can be considered as PRs. This would be the case where the country context proves to be challenging and where the CCM and the CT conclude that no national or other international organizations can be appointed as PR to undertake grant implementation. The use of a bilateral organization as a PR or SR of a Global Fund grant requires approval from the Global Fund Executive Grant Management Committee.
8. As part of the Global Fund's commitment to strengthen the role of civil society and the private sector in Global Fund investments, the CCM is encouraged, where appropriate, to pursue a 'dual-track financing' approach in nominating PRs at the time they submit their funding applications to the Global Fund. Dual-track financing refers to channeling of funds through two 'tracks': government and non-government sectors, if feasible within the prevailing context.
9. **SRs.** The PR selects SRs based on a transparent and well-documented process, and oversees the implementation of activities undertaken by SRs. SR selection is a PR-led process. Unless otherwise approved in writing by the Global Fund, in accordance with the Global Fund's policies and requirements, the CCM does not prescribe or participate in the SR procurement and selection process (e.g., by providing guidance, participating in process milestones or selecting final SR).
10. SRs are generally selected amongst national entities who typically are already involved in the response to HIV, TB and malaria. To maximize program effectiveness, particularly among most affected communities, PRs are encouraged to select community-led organizations (CLO) – including those led by key and vulnerable populations – and community-based organizations (CBO) as SRs, provided they have appropriate capacity.⁹⁰ In all cases, the PR remains fully accountable for the performance of SRs. PRs are expected to restrict the number of SRs to that which is reasonable to achieve maximum impact of the program and prudent management of grant funds. The use of a restricted number of SRs avoids unnecessary transaction and management costs and allows stronger assurance and oversight.
11. The SR selection process is initiated as early as possible during the Funding Request stage and completed during Grant-making with contracts signed immediately upon Global Fund Board approval of the grant.⁹¹ The PR plans the SR selection process considering: (i) which SRs are expected to continue or be competitively selected (based on documented performance review if applicable); (ii) key milestones and timelines through selection, assessments and contracting; (iii) governance and conflict-of-interest safeguards; (iv) contingency measures to prevent disruption of services at the IP start date.
12. The PR assesses the capacity of each SR to implement grant activities including the SR internal controls to manage Grant Funds. The PR undertakes an Integrity Due Diligence (IDD) check of SRs.⁹²

⁸⁷ Other situations include (i) when the ASP applies; (ii) in countries in conflict; and (iii) when currency controls or currency risks jeopardize the ability to ensure sufficient resources are available for grant implementation.

⁸⁸ However, WHO (multilateral organization) cannot serve as PR for Global Fund grants as some Global Fund policies applicable to PRs can be perceived as in conflict with WHO rules and regulations, but they can assume the role of SRs in Global Fund grants.

⁸⁹ National capacities must be developed for more sustainable responses. Aside from the sustainability considerations, there are also cost considerations related to non-national entity implementers (see [Guidelines for Grant Budgeting](#)).

⁹⁰ PRs are strongly encouraged to pursue result-based contracting arrangements with CLOs/CBOs for key programmatic areas including (but not limited to) HIV prevention for key and vulnerable populations; community-based treatment; community-based TB/DR-TB care; ITN distribution; community system strengthening (including community-led monitoring); and reducing barriers including those related to human rights and gender. CCMs are reminded that activities to strengthen CLO/CBO capacity can be included in funding applications through the RSSH: Community Systems Strengthening module in the [Modular Framework Handbook](#).

⁹¹ Alternatively, the PR can assess if contracts can be signed earlier with adequate conditionality pending Global Fund Board approval of the grant and where this is consistent with local laws and the PR's own internal procedures.

⁹² See [Guidelines on Sub-recipient and Supplier Integrity Due Diligence for Principal Recipients](#).

Annex 3. Advance Payment Mechanism

1. Advance payment refers to the approval and funding of specific activities before the Grant Confirmation is signed. It is intended to be used exceptionally and as a last resort. It is limited to two categories of activities with distinct eligibility requirements: 1. capacity building and start-up activities; and 2. health product procurement.

Category	Eligible PRs	Eligible Activities	Maximum Amount	Approval Authority ⁹³
1. PR Capacity Building and Start-Up Activities; to accelerate Grant-making and initiate grant activities as soon as possible	Local PRs (governmental and non-governmental entities) which are first time implementers of a Global Fund grant for a particular disease component within a specific portfolio or are initiating RBF Modalities for the first time	Project management set up, e.g., remuneration of essential core human resources	US\$ 500,000	Up to US\$ 200,000 RM/DH, and GFM Between US \$200,000 and US \$500,000 Head of GMD and CFO
		PR training and technical support to address weaknesses and/or capacity gaps as identified during the capacity assessment or to design RBFs		
		Capacity Assessment of SRs		
2. Early Procurement of Health Products; to initiate procurement of health products to ensure timely delivery and avert stock-outs	<ul style="list-style-type: none"> PRs that cannot register to PPM⁹⁴ due to national procurement restrictions. In the event of treatment disruption risks, international organizations, whose regulations do not allow the advance of own funds for order placement. 	Procurement of health products planned for the first year of implementation (based on HPMT, or 'HP List – Focused' if applicable)	Equivalent to planned procurement order amount for the first year (based on HPMT, or 'HP List – Focused' if applicable)	Up to US\$ 200,000, RM/DH, and GFM Between US \$200,000 and US \$1,000,000, Head of GMD and CFO Over US \$1,000,000 Head of GMD and CFO, with notifications to GAC

2. Advance payments can only be made in situations where:
- The nominated PR meets the eligibility requirements for Global Fund implementers and has been accepted by the Global Fund (following capacity assessment, if applicable);
 - There is a high likelihood that the grant will be approved by the Global Fund Board, and the Grant Confirmation signed with the PR;
 - The request is for funding eligible activities described above;
 - There is, in the absence of advance payment, either (i) a high likelihood that there will be significant delays in completing Grant-making and a risk of not achieving disbursement readiness and implementation readiness (Category 1 activities); or (ii) a risk of treatment disruption (Category 2 activities); and
 - No other funding sources are available, including from partners, strategic initiatives or through grant revision⁹⁵ of existing grants (in-country cash balances are considered).
3. PR advance payment requests need to be made as early as possible following (i) acceptance of the nominated PR; (ii) TRP recommendation to proceed to Grant-making, if applicable; and (iii) agreement on health products procurement planning for the first year of implementation, if applicable, whichever is the last applicable condition. PRs and CTs must plan ahead to ensure all advanced payment steps (including disbursement) are completed as early as possible and before the purchase order is raised for the new IP⁹⁶. Approval and completion of advance payments after this date are not guaranteed. The PR is responsible for preparing and submitting the advance payment request and supporting documentation.

⁹³ For signature authority, refer to the Delegations of Signature Authority.

⁹⁴ PRs who undertake advance procurement through PPM follow the approval process defined in the [OPN on Pooled Procurement Mechanism](#).

⁹⁵ This refers to allowable use of savings from existing grants to support (i) country dialogue during Funding Request and Grant-making and (ii) additional Human Resources to support Grant-making for existing PRs, if applicable (see Section on Confirm Resourcing).

⁹⁶ The PR must request for advance payments no later than 3 months before the GAC review date agreed with the CT.

4. Following approval of the request for advance payment, the Global Fund issues an agreement to the PR in accordance with the Global Fund Delegations of Signature Authority. Funds from the Global Fund will only be advanced after approval of the request. Any expenditures incurred before such approval will not be reimbursed from grant funds.
5. Once approved, advance payment activities are funded either by:
 - a. The PR or CCM using their own resources (excluding CCM funding), which will be reimbursed from grant funds after the Grant Confirmation is signed; or
 - b. Advances made by the Global Fund which will be deducted from Grant Funds after the Grant Confirmation is signed.
6. The PR includes the approved activities in the final grant budget. If advance payment utilizes the PR's own resources, the funds are reimbursed from grant funds following grant signing. The relevant expenditures are reimbursed to the PR as part of the first AFD. Refer to the [OPN on Make Annual Funding and Disbursements Decisions](#).
7. If the Global Fund determines that a grant agreement will not be signed with the PR, any funds advanced by the Global Fund will be deducted from the country's disease allocation.
8. If the aforementioned criteria for advance payment mechanisms are not met and/or the PR is able to finance specific activities from its own funds prior to grant signature, the Global Fund can issue a PR Financing Agreement to confirm its willingness to reimburse the PR from grant funds, as part of the first AFD, after the grant is signed. The following criteria must be met:
 - a. The PR is an eligible Global Fund implementer;
 - b. Activities to be financed by the PR are limited and necessary to ensure continuity, and the CT is certain that the activities will be included in the final grant budget;
 - c. The PR includes the activities in the final grant budget;
 - d. There is a high likelihood of Board approval of the grant;
 - e. Approval by the RM/DH, GFM, and Deputy General Counsel, Grant Management; and
 - f. The PR agrees that if the grant agreement is not signed, advanced funds will not be reimbursed.

Annex 4. Update the PAAR

1. The PAAR is a required document submitted and reviewed by the TRP in conjunction with a funding application. Before completing the PAAR, CCMs must ensure that the most critical modules and interventions for their program are covered within the allocation amount. The TRP reviews the PAAR and determines which part of it constitutes UQD. These activities are recommended as quality demand and included in a public UQD register for potential future funding.
2. If funding becomes available during grant implementation, initially reviewed UQD amount may be subsequently increased by up to 30% per intervention, without resubmission for TRP review and recommendation, provided that such increases are consistent with applicable Global Fund policies and guidelines. Otherwise, a PAAR update involving new activities/interventions or an increase of more than 30% above the originally approved amount requires TRP review. In Grant-making or during grant implementation, the Secretariat can allow or request CCMs to submit an updated PAAR in the following instances:
 - a. PAAR update due to TRP recommendations; and
 - b. PAAR update due to sources of funding becoming available:
 - Portfolio optimization;⁹⁷
 - External financial contributions;⁹⁸ and
 - Foreign exchange savings.⁹⁹
3. Updates to the PAAR can take the form of (i) activities shifted from the main allocation budget to the UQD; (ii) new activities that were not included in the initial PAAR request and consequently were not reviewed and approved by the TRP and added to the UQD register for the funding cycle or, (iii) increases to the initial amount recommended for interventions/activities that are already on the UQD register.
4. PAAR updates require CCM endorsement. Endorsement must be provided by: (i) the CCM/RCM Chair and (ii) the civil society representative if the CCM/RCM Chair is the representative of the Government, or the representative of the Government if the CCM/RCM Chair is the representative of civil society. With respect to endorsement by the CCM/RCM Chair, in the absence of the CCM/RCM Chair, endorsement by the Vice Chair is acceptable if in line with the CCM/RCM's governing documents.

⁹⁷ For more information, refer to the [OPN on Portfolio Optimization](#).

⁹⁸ For more information, refer to the [Framework on Private Sector Engagement and Policy on Restricted Financial Contributions \(PRFC\)](#).

⁹⁹ For more information, refer to the [Guidelines for Grant Budgeting](#).