

# Operational Policy Note

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## Make, Approve and Sign Grants

**Approved on:** 13 March 2023, updated 14 June 2023  
**Approved by:** Executive Grant Management Committee  
**Process Owner:** Grant Portfolio Solutions and Support Department

### Process Metrics for Make, Approve and Sign Grants

Principal Recipients and Country Teams are expected to meet the following metrics:

- Grants are submitted to the Grant Approvals Committee within six months from the relevant funding request submission to the Technical Review Panel; and
- The Grant Confirmation is signed by the Global Fund at least one month before the (new) Implementation Period start date.

## Overall Objective

1. The Make, Approve and Sign Grants (hereinafter referred to as grant-making) process translates the funding request, including any recommendations from the Technical Review Panel<sup>1</sup> (TRP) and the Grant Approvals Committee (GAC) into quality grants<sup>2</sup> that are (1) disbursement-ready for GAC recommendation and Board approval, and (2) implementation-ready at Implementation Period (IP) start date.

	<b>Definition</b>
<b>Disbursement-ready</b>	<b>Disbursement readiness is achieved when:</b> <ol style="list-style-type: none"> <li>i. all grant documents<sup>3</sup> required for GAC recommendation are in their final form and agreed by the Country Team (CT) and the Principal Recipient (PR);</li> <li>ii. issues identified by the TRP that need to be addressed during the grant-making stage have been addressed to the satisfaction of the TRP and/or the Secretariat (where delegated);</li> </ol>

<sup>1</sup> Unless defined in this OPN or the context otherwise requires, all capitalized terms used in this OPN shall have the same meaning set out in the [Global Fund Grant Regulations \(2014\)](#).

<sup>2</sup> 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 and as approved by the Global Fund Board.

<sup>3</sup> As defined in Annex 2.

	<ul style="list-style-type: none"> <li>iii. 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</li> <li>iv. residual risks have been identified and prioritized, with actions and controls defined to mitigate each risk to an acceptable level.</li> </ul>
<b>Implementation-ready</b>	<p><b>Implementation readiness is achieved when:</b> a disbursement-ready grant has been approved and signed at least one month, and ideally two months, before the IP start date, and the PR can begin implementing grant activities<sup>4</sup> immediately on the IP start date. This requires advance preparation, such as:</p> <ul style="list-style-type: none"> <li>i. early identification and contracting of PR human resources;</li> <li>ii. early identification and contracting of Sub-recipients (SR);;</li> <li>iii. early identification and contracting of Suppliers of health products and critical services<sup>5</sup>; and</li> <li>iv. an agreed implementation work plan<sup>6</sup> for year one of the IP.</li> </ul>

- 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. Achieving disbursement readiness and implementation readiness requires that grant-making deliverables (see Annex 1) are initiated as early as possible at the funding request stage.
- During grant-making, the PR and Country Team continue to ensure that the Global Fund strategy is translated into the grant design. This includes incorporating the priorities for step change, key areas that would require increased focus in order to achieve global goals using the Global Fund strategy as an enabler.

Figure 1 defines the grant-making process and sub-processes and critical timelines:

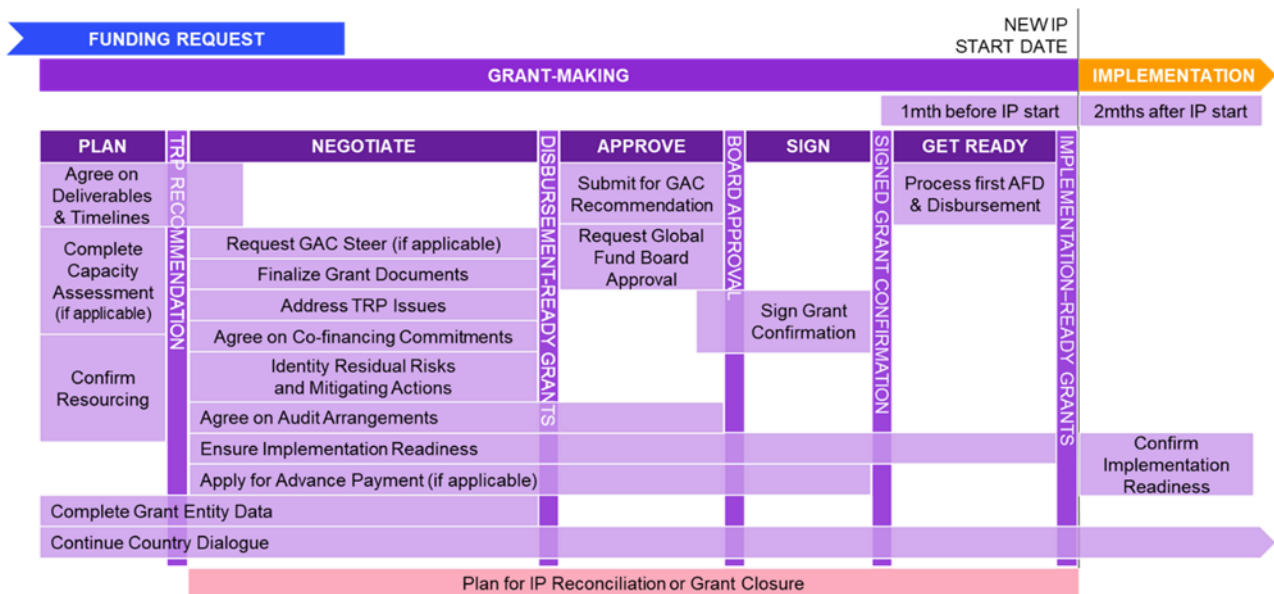


Figure 1: Grant-making Phases and Sub-processes

- Use of Global Fund Partner Portal.** Critical engagements<sup>7</sup> between the PRs and CTs during grant-making are facilitated through the Global Fund Partner Portal, an online platform that serves as a

<sup>4</sup> Excluding preparatory activities required to be undertaken prior to the Implementation Period start date.

<sup>5</sup> 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.

<sup>6</sup> The Global Fund does not have a prescribed template for the implementation work plan.

<sup>7</sup> Such as notifications, document sharing and submission.

central point of information entry and document sharing. PRs nominate their contacts with grant deliverable access rights (editor or submitter) in the Global Fund Partner Portal following the process prescribed in the [OPN on Grant Entity Data](#) (see Section on Complete Grant Entity Data for further details).

## Operational Policy

5. This Operational Policy Note (OPN) applies to grants financed under the 2023-2025 allocation period (Grant Cycle 7) and thereafter<sup>8</sup>.
6. The OPN applies to country and multicountry portfolios and grants unless otherwise specified in the dedicated multicountry section. While the principles and general requirements defined in this OPN apply across all portfolios, the specific grant-making deliverables do not apply to Focused portfolios, unless explicitly stated. Annex 1 provides a summary of the grant-making deliverables and how they apply to each portfolio category.

### A. PLAN

7. Robust planning and preparation, incorporating lessons learned, are crucial to ensure timely grant-making, and implementation readiness at the IP start date.

#### A.1. Agree on Deliverables and Timelines

8. During the funding request stage, the Country Coordinating Mechanism (CCM)<sup>9</sup>, nominated PR(s) and CT jointly plan the funding request and grant-making stages in an integrated manner. They develop an end-to-end overview of milestones and deliverables that ensures grant signing at least one month before, and implementation readiness at the IP start date (see [OPN on Design and Review of Funding Requests](#)).
9. At the start of grant-making, the CT, PR, CCM and Local Fund Agent (LFA) discuss and update timelines to complete grant-making deliverables based on the TRP-recommended funding request. As part of the planning, the close collaboration and relevant inputs from in-country stakeholders, LFA, and the Global Fund Secretariat teams (including the engagement of the Technical teams to support the inclusion of priorities for step change) throughout grant-making are defined.
10. The CT ensures the early engagement of the LFA in the review of the effectiveness of the proposed grant design and implementation arrangements, including how the Global Fund strategic priorities are incorporated. LFA services are tailored according to the assurance needs of the CT using relevant LFA tools and guidelines.

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<sup>8</sup> The OPN on Make, Approve and Sign Grants issued on 14 March 2022 applies to grants financed under the 2020-2022 allocation period (Grant Cycle 6).

<sup>9</sup> Throughout this OPN, references to CCM include any Regional Coordinating Mechanism (RCM), Regional Organization (RO) or other applicant, as applicable.

## A.2. Complete Capacity Assessment (if applicable)

11. Capacity assessment of PRs (if applicable)<sup>10</sup> is initiated and completed at the funding request stage<sup>11</sup> so that the nominated PRs are confirmed and accepted by the Global Fund in time for grant-making. In exceptional cases, where a capacity assessment requires more time<sup>12</sup>, this must be completed as soon as possible during grant-making.

## A.3. Confirm Resourcing

12. For continuing grants, the CT and PR determine if additional PR human resources are needed to support grant-making, noting that grant-making activities overlap with the continuing implementation of activities and IP reconciliation of the existing grant(s). In cases where the PR requires additional human resources to support grant-making, funds from the existing grants may be used subject to Global Fund approval, and processed through a grant revision (see [OPN on Grant Revisions](#)). For new PRs or existing PRs implementing a grant in a different disease component, the CT and PR determine if resources are required for PR capacity building and start-up activities and apply for advance payment accordingly. (See section on Apply for Advance Payment of this OPN).

## A.4. Complete Grant Entity Data

13. Grant Entity Data (GED) includes data and information required to successfully process grant documentation and disbursements. During funding request and grant-making, the CCM, PR(s)<sup>13</sup>, LFA and third-party organizations<sup>14</sup> are responsible to ensure that accurate GED information is provided/updated for the Global Fund Secretariat's validation, as follows:
  - i. **PR, CCM and LFA organization information** containing official name, organization type, and address of the organization.
  - ii. **PR and/or third-party banking information** containing the bank account details, including name, address, account holder name and routing requirements.
  - iii. **PR, CCM and LFA contact information:**
    - a. PR authorized signatories for legally binding documents and/or disbursement requests;
    - b. CCM acknowledgment signatories for legally binding documents between the PR and the Global Fund (Chair<sup>15</sup> and relevant CCM representative<sup>16</sup>);
    - c. PR and LFA organization representative for notices; and
    - d. PR and LFA contacts with grant deliverables access rights (editor or submitter) for the Global Fund Partner Portal.
14. GED change requests are processed following the [OPN on Grant Entity Data](#) and through the Global Fund Partner Portal.

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<sup>10</sup> A capacity assessment is required for: (i) all new PRs who have not previously implemented a grant for the disease component; and (ii) existing PRs who will be implementing new activities for which their capacity has not been previously assessed. Outside of these two mandatory situations, a Country Team may also conduct a capacity assessment for an existing PR or select SRs if necessary to manage risks. The [OPN on Risk Management](#) provides the process for determining if a capacity assessment is required for a nominated PR or an SR and includes possible exceptions.

<sup>11</sup> See [OPN on Design and Review Funding Requests](#) and [OPN on Risk Management](#).

<sup>12</sup> Such as when the initial nominated PR was not accepted by the Global Fund and another PR capacity assessment needs to be initiated.

<sup>13</sup> And Lead Implementer, if applicable.

<sup>14</sup> 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](#).

<sup>15</sup> In the absence of the CCM Chair, endorsement by the Vice Chair is acceptable if in line with the CCM's governing documents.

<sup>16</sup> 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.

## A.5. Continue Country Dialogue

15. The country dialogue process<sup>17</sup> continues during grant-making and implementation, through the CCM with the continued involvement of community and civil society representatives<sup>18</sup>. Robust engagement of communities helps ensuring that investments are evidence- and rights-based, gender and age responsible, equitable and sustainable. In addition, the Funding Priorities of Civil Society and Communities Affected by the Three Diseases annex submitted with the Funding Request is also considered in the grant design.
16. As part of the effort to ensure community and civil society engagement:
- i. The CCM convenes at least two meetings for the PR to brief and receive feedback from the CCM, including the community and civil society representatives on:
    - a. how the PR is designing key elements of the grant,
    - b. insights on the funding priorities of civil society and communities, and
    - c. opportunities for Community-Based and Community-Lead Organizations' (CBO/CLO) involvement in grant implementation.These two meetings are required for High Impact and Core and a best practice for Focused portfolios.
  - ii. The CT convenes one dedicated meeting during grant-making to brief and receive feedback from community and civil society representatives, as a best practice. This meeting ideally takes place during the CT grant-making mission and is in addition to the meetings described above.
  - iii. 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.

## B. NEGOTIATE

17. During the negotiate phase, all grant-making deliverables required prior to GAC review (see Annex 1) are completed and TRP issues due at grant-making are addressed, resulting in a finalized disbursement-ready grant for submission to GAC. Simultaneously, the PR continues work to ensure implementation readiness by the IP start date.

### B.1. Request GAC Steer or Decision (if applicable)

18. As indicated in the [OPN on Design and Review Funding Request](#), CTs or GAC members<sup>19</sup> can request a GAC steer<sup>20</sup> at any time before or after the TRP review based on certain pre-identified triggers, including but not limited to, risk, need for strategic or operational steer to address critical management concerns related to grant-making, size of investment or strategic priorities.
19. GAC steer following a TRP review does not prevent the start of grant-making unless the nature of the steer needed from GAC is integral to initiating such negotiations.

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<sup>17</sup> Country Dialogue process refers to engaging a broad range of stakeholders, including members and non-members of the CCM, representatives of the civil society and communities affected by the three diseases, experts in health systems, and other relevant experts depending on country context, to identify and contribute to addressing structural barriers to HIV, Tuberculosis and Malaria and to guide and implement health programs to effectively respond to their diverse needs.

<sup>18</sup> The [OPN on Design and Review Funding Requests](#) provides guidance on various mechanisms to support community and civil society representatives in the country dialogue process.

<sup>19</sup> Including technical and donor partners that participate in the GAC.

<sup>20</sup> Refer to the GAC ToRs.

20. Separately, the CT can request for a GAC decision to determine matching funds awards based on TRP recommendations and prior to grant-making.

## **B.2. Finalize Grant Documents**

21. The development of grant documents starts during the funding request stage and continues into grant-making. The final grant documents are developed and reviewed by the PR, CT and LFA so that documents are:

- i. aligned with the funding request that has been reviewed and recommended by the TRP (including addressing TRP issues);
- ii. aligned with the Global Fund strategy by incorporating priorities for step change in the grant design;
- iii. accurate and clear to ensure quality and timely implementation, monitoring and reporting;
- iv. streamlined<sup>21</sup>, in that they are not overly complex and difficult to report against;
- v. consistent with one another (critical for key grant documents such as the Performance Framework, Detailed and Summary Budgets, Health Product Management Template (HPMT) and Grant Confirmation); and
- vi. compliant with relevant Global Fund policies, guidelines, and template requirements.

22. Efficiencies identified during grant-making are reinvested to expand approved activities within the allocation and/or to fund the Prioritized Above Allocation Requests (PAAR) activities recommended by the TRP and placed on the Unfunded Quality Demand (UQD) register. Once efficiencies are identified, UQD activities of the equivalent budget amount can be included in the Detailed Budget (see [Instruction for Completing the Detailed Budget Template](#)). The UQD is updated by CTs to reflect the latest information for activities that have been partially or fully funded throughout the grant lifecycle. The inclusion of new activities that are not on the UQD register or the increase of budgeted amounts for interventions/activities that are already on the UQD register, require submission of a PAAR update for TRP review<sup>22</sup>. The reinvestment of foreign exchange savings during grant-making is subject to the [Guidelines for Grant Budgeting](#).

23. Throughout grant-making and implementation, the Global Fund Secretariat may allow or request CCMs to submit an updated PAAR<sup>23</sup>. PAAR updates can be triggered by any of the following instances:

- i. PAAR update due to TRP recommendations; and/or
- ii. PAAR update due to additional sources of funding becoming available:
  - a. portfolio optimization;<sup>24</sup>
  - b. external financial contributions;<sup>25</sup> and
  - c. foreign exchange savings.<sup>26</sup>

## **B.3. Address TRP Issues**

24. The CCM, PR and CT collaborate to ensure TRP issues and actions to be addressed during grant-making are completed and reflected in the final grant documents. The CT reports to the GAC on the

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<sup>21</sup> CTs and PRs are expected to use flexibilities available to simplify grant documents such as budget and performance frameworks for Focused portfolios.

<sup>22</sup> For more information, please refer to the [OPN on Design and Review of Funding Requests](#), Annex 5

<sup>23</sup> *ibid*

<sup>24</sup> For more information, please refer to the [Guidance on Portfolio Optimization](#) (*link forthcoming*)

<sup>25</sup> For more information, please refer to the [Framework on Private Sector Engagement and Policy on Restricted Financial Contributions \(PRFC\)](#).

<sup>26</sup> For more information, please refer to the [Guidelines for Grant Budgeting](#).

status of completion (i.e., met or in progress) and requests GAC steer on exceptional cases where a TRP issue cannot be addressed within the designated timeline.<sup>27</sup>

#### **B.4. Agree on Co-financing Commitments**

25. To achieve lasting impact, increased domestic investments in national health systems and the three diseases is essential to meeting targets and goals included in national strategies. Global Fund co-financing requirements encourage progressive increases in overall health spending and gradual domestic uptake of key program costs, including those financed by the Global Fund. Based on a review and assessment of past co-financing commitments (if applicable), specific co-financing commitments that strengthen impact and help address sustainability and/or transition challenges need to be agreed between the Global Fund and the Host Country before the submission of grant documents to GAC. See the [OPN on Co-Financing](#) for more details on these requirements.

#### **B.5. Identify Residual Risks and Mitigating Actions**

26. The initial risk assessment performed during the funding request stage<sup>28</sup> is further developed during grant-making, based on a completed capacity assessment of the PR (if applicable) and known risks and gaps (if applicable), and review of grant documents. Key risks and capacity gaps need to be addressed as part of the design of the grant. Implementation arrangements must be captured in the Integrated Risk Management (IRM) module of the Grant Operating System (GOS) (if applicable) and reflected in the finalized grant documents.<sup>29</sup>

27. Key residual risks, capacity gaps and mitigating actions need to be 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. Both (ii) and (iii) are communicated to the PR in a Performance Letter upon completion of grant-making and are monitored throughout implementation.

28. During grant-making, CTs consider the major challenges and risks to sustainability and work with the PR to incorporate mitigating actions in grant design. Specifically, for all Upper Middle-Income Countries (UMIC) and Lower Middle-Income Countries (LMIC) with 'Not High' disease burdens, CTs work with the PR to address sustainability and transition considerations. See the [Sustainability, Transition & Co-Financing \(STC\) Policy](#) and the [STC Guidance Note](#).

#### **B.6. Agree on Audit Arrangements**

29. During grant-making and prior to signing the Grant Confirmation, 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](#).

#### **B.7. Ensure Implementation Readiness**

30. Implementation readiness supports the timely implementation and continuation of programmatic activities across IPs. In addition to approval and signature of a disbursement-ready grant, the four principal criteria of implementation readiness are set out in the paragraphs below. To ensure

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<sup>27</sup> A regular report on the status of completion of TRP issues will be shared by the Access to Funding Department with GAC for information and steer, as needed.

<sup>28</sup> See [OPN on Design and Review of Funding Requests](#)

<sup>29</sup> See [OPN on Risk Management](#) for details regarding completing the risk assessment during grant making.

implementation readiness, PRs are expected to initiate these deliverables early (including during the funding request stage where possible) so that they are well underway by the time of GAC review and completed by the IP start date. Achieving implementation readiness by the IP start date is required for High Impact and Core portfolios and a best practice for Focused portfolios.

31. **Early selection and contracting of PR human resources.** The PR defines the staffing structure, prepares Terms of Reference (ToRs) and identifies/selects PR human resources against approved ToRs as early as possible during grant-making and signs contracts immediately upon Global Fund Board approval of the grant<sup>30</sup>. For PRs continuing to the next IP, this entails updating already existing ToRs and extending contracts of well-performing human resources<sup>31</sup> into the next IP.
32. **Early selection and contracting of SRs.** In line with the defined implementation arrangements, the PR prepares ToRs and selects the SRs as early as possible during grant-making and signs contracts immediately upon Global Fund Board approval of the grant<sup>32</sup>. The SR selection needs to be transparent and well-documented based, among other criteria, on approved ToRs, capacity assessment and integrity due diligence<sup>33</sup>. To maximize program effectiveness for communities most affected by HIV, TB, and malaria, including key and vulnerable populations, PRs are encouraged to select community-led organizations (CLO) and community-based organizations (CBO) with appropriate capacity and expertise, including through the use of e.g., results-based contracting arrangements<sup>34</sup>. See [OPN on Design and Review Funding Requests](#) Annex 4 on Global Fund Implementers.
33. **Early selection and contracting of suppliers for health products and critical services for year one**<sup>35</sup>. Procurement of health products and critical services are done through Global Fund Pooled Procurement Mechanism (PPM) and/or PR own procurement processes.
  - i. For procurement of health products or critical services through the PR's own processes, suppliers are selected with approved ToRs as early as possible during grant-making and contracted immediately upon Global Fund Board approval of the grant<sup>36</sup>. Where recurrent procurement activities are anticipated, it is recommended for contracts to cover the duration of the IP.
  - ii. For procurement of health products through PPM, the [OPN on Pooled Procurement Mechanism](#) applies. The PPM purchase requisition is initiated by the PR immediately after grant signing and approved by the Global Fund by the IP start date.
34. **Agreed implementation work plan for IP year one.** The CT and PR develop an implementation work plan as early as possible during grant-making and finalize it prior to the IP start date. This includes fully defined implementation arrangements for the first year of implementation which details the planned activities, timelines and assigned responsibilities to deliver the agreed targets in the Performance Framework and in line with the Detailed Budget<sup>37</sup>. The Operational Procedures on

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<sup>30</sup> Alternatively, the PR can assess if contracts could 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.

<sup>31</sup> As determined by the PR.

<sup>32</sup> Alternatively, the PR can assess if contracts could 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.

<sup>33</sup> Refer to the Global Fund Policies on [Combat Fraud and Corruption](#) and on [Conflict of Interest](#).

<sup>34</sup> See the Payment for Results section in the [Guidelines for Grant Budgeting](#) and the Payment for Results OPN (forthcoming)

<sup>35</sup> Such as fiscal/financial agents, and in cases where warehousing or distribution services need to be in place without a break in contract.

<sup>36</sup> Alternatively, the PR can assess if contracts could 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.

<sup>37</sup> Implementation work plan also need to consider any insurance arrangements and arrangements relating to state approvals, consents and registrations that may impact year one activities.



[Oversee Implementation and Monitor Performance](#) provide best practice guidance on implementation work plans. An implementation work plan is not required for Focused portfolios.

35. The Global Fund does not necessarily require a competitive re-selection of well-performing human resources, SRs, and Suppliers (for PRs procuring through their own processes) for each IP. The re-selection of human resources, SRs and Suppliers must comply with the [Global Fund Grant Regulations \(2014\)](#), the [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.
36. PRs take 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.
37. PRs are primarily responsible for achieving implementation readiness at the IP start date. CTs have a crucial role in assisting PRs 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 section on Apply for Advance Payment).

#### **B.8. Apply for Advance Payment (if applicable)**

38. To support PRs in completing grant-making with minimal delay and ensure implementation readiness, certain expenditures may be financed prior to the signing of the Grant Confirmation, subject to the conditions detailed in Annex 2 on Advance Payment Mechanism. Advance payments are limited to two types of activities with distinct eligibility requirements: (1) capacity building and start-up activities, and (2) health product procurement<sup>38</sup>. If these advance payments are not available (because the eligibility requirements are not fulfilled) limited activities may be financed by the PR based on exceptional Global Fund approval (see Annex 2 for more details).

#### **B.9. Plan for Implementation Period Reconciliation or Grant Closure**

39. In parallel with grant-making and at least six months in advance of the current IP end date, the CT, and the PR initiates the reconciliation of IP or closure process for expiring grants.
40. Budgeting for the next IP considers existing Program Assets that will be transferred from the current IP.
41. For IP reconciliation and grant consolidation cases, the PR submits the List of Program Assets to be transferred to the next IP at the same time as the budget for the next IP.
42. In case of a change of PR, the List of Program Assets and Transfer Plan under the current grant is submitted by the outgoing PR no later than 3 months prior to the IP end date (see [Operational Procedures on Implementation Period Reconciliation and Grant Closure](#)). During grant-making, the list is used by the incoming PR and the CT as input to the budget for the new grant.

The final verification and transfer of Program Assets are undertaken as part of the IP reconciliation and closure process to be completed within six months from the end date of the closing IP (see [Operational Procedures on Implementation Period Reconciliation and Grant Closure](#)).

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<sup>38</sup> PRs registered with PPM shall be guided by the provisions of paragraph 33 of this OPN.

## C. APPROVE

### C.1. Submit for GAC Recommendation

43. The CT summarizes the outcomes of grant-making and documents progress and required actions towards implementation readiness in the Grant-Making Final Review Form. On behalf of the CT, the Fund Portfolio Manager (FPM)<sup>39</sup> submits that the final grant is disbursement-ready (as defined in the Overall Objective section of this OPN) and confirms that all CT members, and other relevant teams have reviewed and endorsed the grant documents based on their areas of responsibilities. Areas of disagreement among CT members and other teams are resolved through escalation to relevant managers. Any unresolved critical issues are captured in the Grant-Making Final Review Form.
44. Prior to submission to GAC, the authorities set out in the table below review the outcomes of grant-making and confirm the disbursement readiness of the grant including progress towards implementation readiness. The Grant Finance Manager confirms the financial management arrangements of the grants<sup>40</sup>, 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.

GMD Departments		Authorities
AME	Focused Portfolios	Senior FPM, Cluster Lead (if applicable) <sup>41</sup> , or Regional Manager
	Core and High Impact and portfolios managed by SFPM, Cluster Lead (where applicable)	Regional Manager
AELAC		Regional Manager
High Impact Departments		Department Head

45. The GAC makes the final determination of disbursement readiness and progress made towards implementation readiness in line with its ToRs. These include the responsibility to review grant targets in terms of their contribution to the Global Fund Strategy targets and relevant co-financing commitments.
46. Based on its review, the GAC may (a) recommend the grant, if deemed disbursement-ready, for the Global Fund Board's approval; (b) refer the proposed grant to the CT for revision or adjustments in response to GAC comments; or (c) refer the proposed grant to the TRP if there are material<sup>42</sup> programmatic changes to the TRP-recommended funding request as a result of grant-making. The GAC may also recommend further actions for follow-up during grant implementation.
47. For grants recommended by GAC for Board approval, the GAC also decides if the grant signature process by the PR and CCM can be initiated contingent on Board approval (see section on Sign Grant Confirmation).

<sup>39</sup> For portfolios with Disease Fund Managers (DFMs) the submission is done by the DFM and approved by the Senior FPM.

<sup>40</sup> Including (but not limited to) the budgeting, accounting, internal controls, funds flow arrangement, financial reporting, and the financial risk and assurance framework of the grant.

<sup>41</sup> Approval authority delegated to Senior FPM, Cluster Leads is with respect to Focused portfolios, including multicountry grants, in officially designated department clusters. Regional Managers retain approval authority for all portfolios directly managed by Senior FPM, Cluster Leads.

<sup>42</sup> Based on material programmatic changes defined in the [OPN on Grant Revisions](#) to be determined by CT and Technical Advisors.

## **C.2. Request Global Fund Board Approval**

48. Board approval of disbursement-ready grants is requested via an electronic report in which the Global Fund Secretariat summarizes the investment and salient points from the GAC discussion on the grant that is being recommended for approval. The Board approves the grants on a no-objection basis over a 10-working-day voting period.
49. For each grant, the Board approves funding for each country disease component, and its constituent grants.

## **D. SIGN**

### **D.1. Sign Grant Confirmation**

50. The signed Grant Confirmation<sup>43</sup> 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 Grantee). A Grant Confirmation is signed for each IP. This signature is completed as soon as possible and at least one month before the IP start date.<sup>44</sup>
51. If cleared by GAC, the PR (or Grantee) signature and CCM acknowledgement is initiated after GAC recommendation (contingent to Board approval). Otherwise, the signature process starts after Board approval.
52. The CCM acknowledgment must be provided by (i) the CCM Chair<sup>45</sup> and (ii) the relevant CCM representative<sup>46</sup>. The PR facilitates the signature process in-country so that it is completed in time for the Board approval of the grant.
53. After Board approval, upon receipt of the PR (or Grantee) signed and CCM-acknowledged Grant Confirmation, the Global Fund signs the Grant Confirmation per the Delegations of Signature Authority (as amended from time to time).
54. The Global Fund signature of the Grant Confirmation triggers the approval process of the grant purchase order.

## **E. GET READY**

55. Following signature of the Grant Confirmation, the PR and CT continue to collaborate to ensure implementation readiness of the grant and process the first AFD.

### **E.1. Process First Annual Funding Decision and Disbursement**

56. Once the Grant Confirmation is signed and the grant purchase order is approved, the first AFD and disbursement is completed. AFDs processed within 30 days from the grant purchase order approval are pre-approved by the Grant Finance Manager as part of the submission to GAC (see the [OPN on Annual Funding Decisions and Disbursements](#)).
57. The first disbursement is based on cash requirements in line with the implementation work plan and the related approved budget.

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<sup>43</sup> A standalone grant agreement(s) may be used in certain cases.

<sup>44</sup> Ideally, the Grant Confirmation is signed two months before the IP start date.

<sup>45</sup> In the absence of the CCM Chair, endorsement by the Vice Chair is acceptable if in line with the CCM's governing documents.

<sup>46</sup> 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.

58. Grant activities can be initiated once the Grant Confirmation is signed using either cash balance from a previous grant (if applicable) or the funds disbursed as per the first AFD. Activities to be implemented before the IP start date require written approval by the CT.

## **E.2. Confirm Implementation Readiness**

59. CTs request LFAs to perform an Implementation Readiness Assessment<sup>47</sup> to confirm whether the PR has met the implementation readiness criteria at the IP start date. This assessment needs to be submitted by the LFA to the Global Fund within the first 1.5 months of implementation.

60. In the event that implementation readiness is not achieved, the CT and the PR define time-bound management actions for each grant to address the outstanding issues.

## **Specific Multicountry Considerations**

61. Multicountry grants refer to:

- i. grants financed through pooled country allocations (e.g., Multicountry Western Pacific and Multicountry Caribbean);
- ii. regional grants financed solely through the Catalytic Investments – Multicountry Modality; and
- iii. regional grants financed through a combination of pooled country allocations and Catalytic Investments (e.g., the Regional Artemisinin-resistance Initiative (RAI)).

62. Multicountry grants generally follow the same requirements set out in this OPN, with the following specific considerations:

- i. For multicountry grants, reference to CCM includes engagement of the Regional Organization (RO) (if applicable), Regional Coordinating Mechanism (RCM) (if applicable) and CCM representatives of all countries included within the grant (if applicable).
- ii. The legal and political considerations and logistics of cross-border implementation are considered when tailoring LFA-services.
- iii. During planning, relevant stakeholder engagement includes all countries that form part of the grant application and also PRs of existing Global Fund grants in the countries.
- iv. For multicountry grants financed under the Multicountry Catalytic Investments, the updated Programmatic Gap Tables, the updated Funding Landscape Table and Monitoring and Evaluation (M&E) plan are not required as part of grant-making.
- v. Required co-financing commitments for multicountry grants are defined in the [OPN on Co-Financing](#).

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<sup>47</sup> See [LFA Assessment on Implementation readiness](#).

## Annex 1. Requirement Levels by Portfolio Category

The table below defines the differentiated grant-making requirements for each portfolio category (High Impact, Core and Focused) and for Focused portfolio management models (Aligned, Targeted, Light, Legacy) for country and multicountry portfolios. The table also specifies which deliverables are required for submission to GAC.

Additional flexibilities for multicountry portfolios financed under the Multicountry Catalytic Investments, COE portfolios and grants with payment for results elements are also captured in the footnotes for the CT to consider when providing guidance to PRs.

Grant-making Deliverables	Submission to GAC	Requirement by Portfolio Category				
		High Impact & Core	Focused			
			Aligned	Targeted	Light	Legacy
<b>Due Date for Finalization: Receipt of TRP Recommendations</b>						
Updated Integrated Funding Request and Grant-making Project Plan		BP	BP			
Capacity Assessment (if applicable)		R	R			
<b>Due Date for Finalization: Pre-GAC Review and Submission to GAC</b>						
Performance Framework per grant	Y	R <sup>a</sup>	R <sup>o</sup>	R <sup>b</sup>		
Summary and Detailed Budget per grant	Y	R <sup>a</sup>	R <sup>o</sup>	R <sup>c</sup>		
Health Product Management template	Y	R	-			
List of Program Assets to be transferred from the current to the next IP <sup>n</sup>		R	-	R		
Updated/New Implementation Arrangements Map <sup>d</sup>	Y	R	-	R <sup>e</sup>	R	
Updated <sup>l</sup> Programmatic Gap Table(s) <sup>f</sup>	Y	R	R <sup>g</sup>	R		
Updated <sup>l</sup> Funding Landscape Table <sup>f</sup>	Y	R	R			
Grant Entity Data		R	R			
Co-financing Commitment Letter <sup>m</sup>	Y	R	R			
Updated UQD Register (if applicable)	Y	R	R			
Grant Confirmation	Y	R	R			
TRP Review Form for TRP issues to be addressed during grant-making		R	R			
Updated <sup>l</sup> Risk Tracker		R	-			
Grant-making Final Review Form <sup>h,i</sup>	Y	R	R			
Grant Signing Calculator including Grant Exception and Escalation Form <sup>h</sup>	Y	R	R			
Grant purchase order created <sup>h</sup>		R	R			
<b>Due Date for Finalization: Grant Confirmation Signing</b>						
Monitoring & Evaluation Plan (if applicable) <sup>j</sup>		R	R			
Agreed Audit Arrangements		R	R			
<b>Due Date for Finalization: IP Start Date</b>						
Approved Human Resources ToRs and contracting of Human Resources <sup>k</sup>		R	-	BP <sup>e</sup>	BP	

Approved ToRs and contracting of SRs <sup>k</sup>		R	-	BP <sup>e</sup>	BP
Approved ToRs and contracts of Suppliers for health products and/or critical services for year one <sup>k</sup>		R	-	BP <sup>e</sup>	BP
Approved PPM purchase requisition for health products for year one (if using PPM)		R	-	BP <sup>e</sup>	BP
Agreed Implementation Work plan for Year one		R		-	
First AFD & Disbursement		R		R	
<b>Due Date for Finalization: After the IP Start Date</b>					
Performance Letter capturing residual risks related Key Mitigating Actions and management actions (if applicable)		R		-	
Implementation Readiness Assessment submitted by the LFA to the Global Fund		R		-	

Level of Requirements:

- R Required
- BP Best Practice
- Not required
- Y Submission to GAC required

**Notes:**

<sup>a</sup> The PfR modality includes Results-based Financing (RBF) grants, Activity-based Contracts, Incentive Payments (see [Guidelines for Grant Budgeting](#)). (i) For RBF grants, the Performance Framework is recommended to have limited indicators (e.g., 1-5 indicators and/or work plan tracking measures) and the HPMT is not required; (ii) For all grants with a PfR element, the Summary and Detailed Budget must be in accordance with the [Guidelines for Grant Budgeting](#) (if applicable). The payment scheme for the PfR element is developed as part of the programmatic design and is submitted with the Summary and Detailed Budget.

<sup>b</sup> Focused Portfolio Management Models follow differentiated instructions (see [Guidelines for Developing and Reviewing Performance Frameworks](#)).

<sup>c</sup> Focused Portfolio Management Models follow differentiated instructions (see [Guidelines for Grant Budgeting](#))

<sup>d</sup> if not already submitted during the funding request.

<sup>e</sup> Only for input-based components of the grant.

<sup>f</sup> For multicountry grants financed under the Catalytic Investments - Multicountry modality, the Updated Programmatic Gap Table(s), the Updated Funding Landscape Table and M&E plan are not required.

<sup>g</sup> Only for areas in which the Global Fund is investing.

<sup>h</sup> These are documents prepared by the Global Fund Secretariat.

<sup>i</sup> Focused portfolios use a tailored list of questions for each model.

<sup>j</sup> For continuing 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. For new PRs, if the M&E plan is not finalized by grant signing, an exception approval must be requested by the PR.

<sup>k</sup> except if applicable laws or regulations do not allow.

<sup>l</sup> Updated as needed from the versions submitted during the funding request stage.

<sup>m</sup> Multi country grants without co-financing requirements are not required to submit a Co-financing commitment letter. See [OPN on Co-Financing](#).

<sup>n</sup> The List of Program Assets under the current IP are submitted as input to the budget for the next IP. The verification, finalization and transfer of Program Assets will be undertaken as part of the IP reconciliation and grant closure process to be completed within six months from IP end date.

<sup>o</sup> 1–2-line Performance Framework and Budget files to be submitted by the CT only to import in GOS objectives and annual disbursement amounts, but not as part of the signed Grant Confirmation.

## Annex 2. Advance Payment Mechanism

1. Advance payment refers to the approval and funding of specific activities prior to signature of the Grant Confirmation. Approved advance payment activities are funded either through:
  - i. advance by the PR or CCM. The PR or CCM uses its own resources (which cannot include CCM funding), which will be reimbursed from grant funds after the Grant Confirmation is signed; or
  - ii. advance by the Global Fund. A transfer of funds by the Global Fund which will be deducted from grant funds after the Grant Confirmation is signed.
  
2. Advance payments are intended for use on an exceptional, last-resort basis only when the following criteria is met to the satisfaction of the relevant approval authority following review by the CT:
  - i. the nominated PR meets the requirements for eligible Global Fund implementers and has been accepted by the Global Fund (based on capacity assessment, if applicable);
  - ii. there is a high likelihood that the grant will be approved by the Global Fund Board, and the Grant Confirmation signed with the PR;
  - iii. the request is for funding eligible activities (as described below);
  - iv. if the advance payment request is rejected (a), in the case of eligible capacity-building and start-up activities, there is a high likelihood that there will be significant delays in completing grant-making and a risk of not achieving disbursement readiness and implementation readiness, and (b) in the case of eligible health product procurement, there is a risk of treatment disruption; and
  - v. no other source of funding is available, including from partners, strategic initiatives or funding made available through grant revision<sup>48</sup> of existing grants (in-country cash balances are taken into consideration when assessing the availability of funding).
  
3. PR advance payment requests need to be made as early as possible once the TRP recommends proceeding to grant-making. PRs and CTs must plan in advance to ensure all advanced payment steps (including disbursement) are completed no later than the pre-GAC submission date. Approval and completion of advance payments after pre-GAC submission cannot be guaranteed. The PR is responsible for preparing and submitting the advance payment request and supporting documentation. No advance of funds by the Global Fund is permitted prior to approval of such request, nor will any expenditures incurred prior to such approval be reimbursed from grant funds.
  
4. Advance payments are limited to two types 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 <sup>49</sup>
<b>1. PR Capacity Building and Start-Up Activities;</b> to	Local PRs (governmental and non-governmental)	Project management set-up, e.g., remuneration of	US\$ 500,000	Up to US\$ 200,000, approval by: Regional Manager / Department Head, and Grant

<sup>48</sup> This refers to allowable use of savings from existing grants to support (i) country dialogue during funding request and grant-making, if applicable (see [OPN on Design and Review of Funding Requests](#)) and (ii) additional Human Resources to support grant-making for continuing PRs, if applicable (see Section on Confirm Resourcing).

<sup>49</sup> For signature authority, please refer to the Delegations of Signature Authority.

Category	Eligible PRs	Eligible Activities	Maximum Amount	Approval Authority <sup>49</sup>
expedite grant-making to facilitate the start of grant activities with minimal delay	entities) which are first time implementers of a Global Fund grant for a particular disease component in a specific portfolio	essential core human resources		Finance Manager / PST Manager  Between US \$200,000 and US \$500,000, approval by: Head of GMD and Chief Financial Officer (CFO)
		PR training and technical support to address weaknesses and/or capacity gaps as identified during the capacity assessment		
		Capacity Assessment of SRs		
<b>2. Early Procurement of Health Products:</b> to initiate procurement of health products to ensure timely delivery and avert stock-outs	<ul style="list-style-type: none"> <li>- PRs that cannot register to PPM<sup>50</sup> due to national procurement restrictions.</li> <li>- In the event of treatment disruption risks, international organizations, whose regulations do not allow the advance of own funds for order placement.</li> </ul>	Planned health product procurement for the first year based on approved HPMT	Equivalent to planned procurement order amount for the first year based on approved HPMT	<p>Up to US\$ 200,000, approval by: Regional Manager/Department Head, and Grant Finance Manager/PST Manager</p> <p>Between US \$200,000 and US \$1,000,000, approval by: Head of GMD and CFO</p> <p>Over US \$1,000,000 approval by: Head of GMD and CFO, with notifications to GAC.</p>

5. 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.
6. The PR includes the approved grant-making 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, see [OPN on Annual Funding Decisions and Disbursements](#).

<sup>50</sup> PRs that will undertake advance procurement through the PPM must follow the approval process defined in the [OPN on Pooled Procurement Mechanism](#).



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 above advance payment mechanisms are not available (e.g. because the PR does not qualify as an eligible PR and/or the activity is not eligible) and the PR is able to finance specific activities from its own funds prior to grant signature, then 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, following signature of the grant. For use of this option, the following criteria must be met:
  - i. The PR is an eligible Global Fund implementer;
  - ii. Activities to be financed by the PR are limited and necessary to ensure continuity of a TRP-recommended funding request, and the CT is certain that the activities to be financed will be included in the final grant budget;
  - iii. The PR includes the activities in the final grant budget;
  - iv. There is a high likelihood of Board approval of the grant;
  - v. Approval by the Regional Manager/Department Head, Grant Finance Manager/PST Manager, and Deputy General Counsel, Grant Management; and
  - vi. The PR agrees that if the grant agreement is not signed, any funds advanced by the PR will not be reimbursed.