



A guide for Global Fund Principal Recipients

Managing

community-based

Sub-Recipients

About the International HIV/AIDS Alliance

We are an innovative alliance of nationally based, independent civil society organisations united by our vision of a world without AIDS.

We are committed to joint action, working with communities through local, national and global action on HIV, health and human rights.

Our actions are guided by our values: the lives of all human beings are of equal value, and everyone has the right to access the HIV information and services they need for a healthy life.

The Alliance is committed to a human rights-based approach to HIV programming and advocacy. We recognise that respect for, and the protection and promotion of, human rights is essential to preventing HIV and mitigating its social and economic impact. We are striving towards the fulfilment of the human rights of all people affected by HIV by addressing not just HIV but wider health and development issues.

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Acronyms and abbreviations

AIDS	acquired immune deficiency syndrome
Alliance	International HIV/AIDS Alliance
CAT	Capacity Assessment Tool
CBO	community-based organisation
CCM	Country Coordinating Mechanism
CoI	conflict of interest
CRG	community, rights and gender
CSO	civil society organisation
CSS	community systems strengthening
GAC	Grant Approvals Committee
GRAM	Grant Risk Assessment and Management Tool
HIV	human immunodeficiency virus
HSS	health systems strengthening
ICASO	International Council of AIDS Service Organisations
KAP	key affected population
LFA	Local Fund Agent
M&E	monitoring and evaluation
MSM	men who have sex with men
NSP	National Strategic Plan
OPM	Operational Policy Manual
OSDV	On-Site Data Verification
PR	Principal Recipient
PSM	Procurement and Supply Management
PU/DR	Progress Update/Disbursement Request
PLWD	people living with the disease
PWID	people who inject drugs
QUART	Qualitative Risk Assessment Tool
RSQA	Rapid Service Quality Assessment
RSSH	Resilient and sustainable systems for health
SR	Sub-Recipient
SSR	Sub-Sub-Recipient
STC	Sustainability, transition and co-financing
SW	sex worker
SyrEx2	a monitoring and reporting system developed by Alliance for Public Health
TA	technical assistance
TB	tuberculosis
TG	transgender
ToR	terms of reference
TRP	Technical Review Panel
USCDC	United States Centers for Disease Control and Prevention

01

Introduction

- 1.1 Background
- 1.2 Who is this guide for and why was it developed?
- 1.3 What is the approach of this guide?
- 1.4 What is the structure of this guide?



Rachel Gawases is a transgender woman, a sex worker and the Director of Voices of Hope, a Namibian community-based organisation providing information and support to sex workers. © Alliance

1.1 Background

The Global Fund To Fight AIDS, Tuberculosis and Malaria was set up in 2002 as an international financing mechanism intended to advance the fight against the three diseases by increasing the availability of funding and directing it to the areas of greatest need. By the end of 2014, it had disbursed over USD 25 billion to more than 140 countries to support prevention and treatment efforts. So that it could increase its global impact and invest more strategically, the Global Fund rolled out a new funding model in 2014.

 [Global Fund Funding Model Brochure](#)

The Global Fund recognised that there were still substantial barriers for key affected populations (KAP) to access government and Global Fund supported services. Therefore, the 2014 funding model, in addition to introducing other improvements,¹ was also designed to increase the involvement of civil society representing marginalised KAP. This continues with the 2017–2019 funding cycle.

 [Global Fund Updated FAQ on 2017–2019 Funding Cycle](#)

Civil society organisations (CSO) are now encouraged **to actively participate throughout the entire funding cycle** – from strategic planning and programme design at the national level, to programme implementation at both national and community levels.

 [Global Fund Country Dialogue Information Note](#)

1.2 Who is this guide for and why was it developed?

This guide is for existing Global Fund Principal Recipients (PR)² who are currently managing, as well as new PRs who are planning to manage, local civil society sub-recipients (SR) that deliver services to their communities. These local service-delivery SRs are often based in the communities where they provide their services, and hence referred to as community-based organisations (CBO).

Because they face the same challenges as PRs that manage CBO SRs, the guide is also for SRs who are not delivering services but instead are managing CBOs that do (sub-sub-recipients or SSR). Therefore, the information in this guide is relevant to any



Note on terminology

'Key affected populations' as defined in the *Global Fund Country Dialogue Information Note* include:

- women and girls
- men who have sex with men (MSM)
- transgender people
- people who inject drugs (PWID)
- sex workers (SW)
- prisoners
- refugees and migrants
- people living with HIV
- adolescents and young people
- orphans and vulnerable children
- populations of humanitarian concern.

organisations managing CBO SRs/SSRs delivering services to their communities. So for the purpose of the guide, the term "PR" broadly includes any organisations managing service-delivery CBO SRs/SSRs.

The guide was developed to highlight actions for PRs to consider when managing CBO SRs/SSRs, not just to meet the Global Fund's standards and requirements, but, more importantly, **to sustain civil society's response to the three diseases after Global Fund financing ends**. This is particularly urgent for upper middle-income countries that are being transitioned out of the Global Fund's support.

The Global Fund recognises the importance of governments' financial commitment to health and community systems. But it also strongly acknowledges the need for **civil society's capacity to advise the government and deliver services** to meet community needs. Both are critical to ensure that the fight against the three diseases can be sustained after Global Fund grants end.

In recognition of this, the guide is not only aimed at the programme management team within a PR. Other functional teams, such as monitoring and evaluation (M&E), procurement and supply management (PSM) and finance, will also find relevant recommendations and suggestions for working with the programme team to support the long-term sustainability of CBO SRs/SSRs. Such cross-team collaboration is critical to CBOs' grant performance.

1. ... such as shorter and more flexible funding application time frame and predictable funding level based on the country's disease burden and economic status

2. ... regardless of whether the PRs are from the government, non-government or private sectors

Furthermore, entities with oversight responsibilities over their PRs will also benefit from reading this guide to support their PRs' initiatives in sustaining CBOs' contributions, both during and after Global Fund grants. These entities include:

- Country Coordinating Mechanisms (CCM)
- government ministries overseeing government PRs
- locally incorporated PR boards or PRs' global/regional headquarters (international NGOs or United Nations agencies)
- the Global Fund Secretariat's Country Teams.

1.3 What is the approach of this guide?

Rather than providing a to-do list for PRs to manage their CBO SRs/SSRs, this guide highlights:

- the Global Fund's standard expectations of PRs in ensuring that CBO SRs/SSRs comply with the Global Fund requirements
- what PRs can do beyond the Global Fund's standard expectations in their management of CBO SRs/SSRs to sustain civil society's response both during and after the Global Fund grants
- resources available to current or aspiring PRs to support civil society involvement.

Where applicable, the guide provides hyperlinks to relevant Global Fund documents as well as non-Global Fund resources. For documents not available online, it provides hyperlinks to a document repository. This icon  indicates a link where you can download a resource.

1.4 What is the structure of this guide?

This guide follows the procedural structure of the Global Fund's current funding model – National Strategic Plan (NSP), funding request, Grant making and Grant implementation (see Figure 1 below).

Country Dialogue is core to the funding model. It is an on-going multi-stakeholder (government, non-government, private sector) participatory consultative process at the national level, which aims to:

- develop strategies (NSP)
- apply for funding
- develop work plans and budgets (grant making)
- monitor progress against work plans (grant implementation).

Key stakeholders include:

- government ministries – e.g. health, finance, planning
- civil society – national/local CSOs and CBOs delivering services to key affected populations, or CSOs/CBOs and networks or coalitions not delivering services but representing these key affected populations
- development partners – multi-laterals, bi-laterals and their contractors.

The rest of this guide will highlight what a PR can do at each stage of this funding cycle to:

- ensure that its CBO SRs/SSRs meet the Global Fund's requirements, and to
- support its CBO SRs/SSRs to develop organisationally, so that their contribution can be sustained after Global Fund grants end.

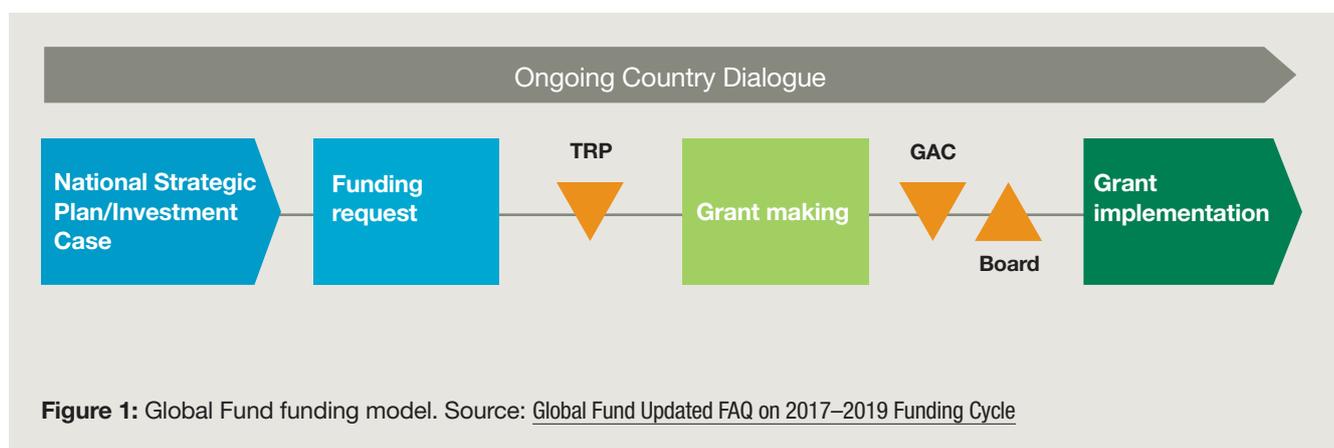


Figure 1: Global Fund funding model. Source: [Global Fund Updated FAQ on 2017–2019 Funding Cycle](#)

02

National Strategic Plan and funding request

2.1 Standard expectations of the Global Fund

2.2 Beyond standard expectations of the Global Fund



A harm reduction outreach programme in Cherkassy, Ukraine, offers information, advice and materials, including clean syringes.
© Alliance

2.1 Standard expectations of the Global Fund

Meaningful involvement of civil society

The funding model of the Global Fund calls for greater involvement of civil society in the development of both NSP and funding request to maximise the impact of Global Fund grants. Civil society representatives, including key affected populations, are considered particularly well placed to advise the government on how to strengthen the country’s disease-specific NSPs and funding requests. They can identify human rights issues which limit access to existing services, and suggest ways to address these issues from the perspective of the community.

 [Global Fund Country Dialogue Information Note](#)

The Global Fund expects a multi-stakeholder, open, transparent and documented process that allows civil society to help improve the quality of NSPs and funding requests. As the national strategic plan is the foundation of the funding request, current and aspiring PRs are expected to support their CBO SRs/SSRs to engage in the development of both the NSP and the funding request.

Early identification of SRs by PRs

In the past, a PR’s effectiveness in managing SRs’ performance during the implementation stage was limited by the fact that they were not fully involved in decisions about the selection of SRs. To correct this, the funding model encourages PRs to identify the SRs they want to work with, and to then notify their CCMs.

The selection of proposed SRs can now happen as early as the funding request development stage, and can be completed during the early stages of grant making. Proposed implementation arrangements should be captured in the implementation arrangement map. The development of the implementation arrangement map can be started during the funding request stage (see further details in Section 3 on Grant making).

 [Global Fund Implementers Guidelines](#)

Respective roles of implementers and CBOs/KAPs

The table below shows relevant roles for implementers and currently non-implementing CBOs and KAPs during the NSP and funding request stages of the funding cycle.

 [Global Fund Updated FAQ on 2017–2019 Funding Cycle](#)

[Global Fund FAQ on Community, Rights and Gender and the 2017-2019 Funding Cycle](#)

Respective roles of implementers and CBOs/KAPs during National Strategic Plan development and funding request		
	Implementers (Current PRs/SRs/SSRs)	CBOs/KAPs (Currently not implementers; may consider becoming one)
National Strategic Plan (NSP)	<ul style="list-style-type: none"> Ensure that the national government, CCM, and other technical partners are aware of proven interventions and effective implementation mechanisms that achieve impact, based on country or relevant regional experience Share tools and practices especially related to M&E, PSM and collaboration between programmes Ensure that the CCM is aware of the timetable for the end of each current grant implementation period and the implications for submitting a funding application to the Global Fund 	<ul style="list-style-type: none"> Engage with government and CCM to ensure that relevant information is available regarding key populations at the sub-national level Advocate for changes to policies that create barriers to service delivery or successful programme implementation Engage through the ongoing country dialogue regarding proven implementation methods and effective interventions, and any human rights barriers preventing KAP access to services
Funding request	<ul style="list-style-type: none"> Suggest implementation arrangements and identify risks in implementation arrangements Strengthen own capacity to deliver on the Global Fund programmes Strive to provide un-biased views on the feasibility of programmes Provide accurate and recent information on costs that can be used to develop the summary budget of the funding request 	<ul style="list-style-type: none"> Provide on-going and meaningful input into development of strategy and funding requests through community caucuses Ensure KAP-specific disease burden information is available to inform the prioritisation of the requests for funding Recommend interventions for KAPs that take into account their needs and perspectives and the socio-epidemiological context of the country Identify and monitor legal or policy barriers to service access, uptake and quality Recommend community systems strengthening (CSS) components in the funding request

Source: [Global Fund Resource Book for 2014–2016 Funding Cycle Applicants](#)

2.2 Beyond standard expectations of the Global Fund

Supporting CBOs to consult the wider community

Both current and aspiring PRs are expected to consult civil society for feedback on past programmes and ideas for future ones. However, instead of just consulting the CBO SRs/SSRs they work with directly, they can take one step further. They can also support these CBO SRs/SSRs to consult with their own communities, programme beneficiaries or even other CBOs (non-SRs/SSRs), particularly the ones located outside national or provincial capitals. This will help broaden the community consultation to ensure all relevant community issues – such as human rights barriers to accessing services, service quality and community systems strengthening (CSS) strategies – are meaningfully considered during NSP and funding request development.



Additional resources

These tools are available for both current and aspiring PRs to use to support CBOs to conduct community consultations:

- [Alliance Coordinating with Communities Series Part A – Background](#)
- [Alliance Coordinating with Communities Series Part B – Meaningful Engagement](#)
- [Alliance Coordinating with Communities Series Part C – Action Cards](#)
- [Alliance Coordinating with Communities Series – Workshop Facilitation](#)
- [Alliance Community Mobilisation Toolkit for CBOs – All Together Now](#)
- [Alliance Community Mobilisation Tools for CBOs – Tools Together Now](#)
- [Alliance Participatory Workshop Facilitator Guide](#)

Supporting CBOs to conduct community surveys for advocacy

Advocacy meetings between community leaders and government officials have long been an important strategy used to influence policies. Even though they are familiar with community needs, community leaders often find it difficult to make government officials see their perspectives or to convince their government that they represent the community in question. A way

to overcome this, and to ensure that advocacy is evidence-based, is to present community feedback that has been systematically collected in the form of a community survey. This avoids relying only on the community leader's presentation of his/her own analysis and opinions.

Community surveys can be quantitative or qualitative or, more usually, a mix of the two. They are different from academic surveys in that they are not intended to prove or disprove specific theories. They are a way of collecting and analysing information to make advocacy arguments more convincing and representative. Community surveys have the added advantage of telling CBOs something about the quality of their services and whether community needs are being met.

Community surveys take a few weeks to design and complete. They usually involve a standardised measurement instrument, a respondent recruitment strategy, interviews and analytical tools. For example:

- **Using questionnaires as a standardised measurement instrument** – A typical community survey questionnaire usually has ten-to-twenty questions that look at:
 - demographics (age, gender, education)
 - knowledge (disease, transmission, prevention)
 - behaviour (sexual, condom use, drug use, methadone adherence, treatment adherence)
 - reasons for behaviour or non-behaviour (barriers, attitude)
 - feedback on services received (quality).
- **Using “snowballing” as a respondent recruitment method** – For the purpose of advocacy, community surveys usually recruit thirty to fifty individuals from the target community. One of the most common and successful methods for selecting respondents for interviews used by CBOs is “snowballing”. This is where one person who has completed the interview refers another potential respondent from his/her circle of friends whom the interviewer does not know.
- **Conducting interviews** – Each interview normally lasts 45-60 minutes. Interviewers are usually CBO staff or volunteers who have received training on the questionnaire, basic interviewing techniques, and principles around interviewees' anonymity and confidentiality.
- **Analysing respondents' answers** – The first step is to systematically enter the data collected (standard questionnaire, snowballing) into a

database, such as Microsoft Excel, which has functions to generate charts and graphics that can be included in presentations at advocacy meetings with government officials.

Current and aspiring PRs can support CBOs (SRs and non-SRs) to conduct community surveys, particularly by working with CBOs to:

- clarify that their survey/research questions address the issues they want to advocate during NSP/funding request development processes
- explain to CBOs how to recruit respondents using the “snowballing” method
- show CBOs how to use a database such as Excel to enter data and generate results (e.g. charts and graphics) for them to incorporate into their presentations at NSP/funding request meetings
- negotiate a space on the agendas of NSP consultation meetings and CCM funding request development committee meetings (with support from civil society CCM members) for CBOs to present their research results and recommendations.

CBOs that would benefit the most from this kind of support are those with:

- good track records either in service delivery or advocacy
- a high level of trust by their communities
- strong commitment to learn and use evidence-based methods to present their community’s recommendations to governments and CCMs.



Additional resource

Further information on supporting CBOs to conduct evidence-based advocacy:

- [Kansas University Community Tool Box, Chapter 31 Conducting Advocacy Research](#)

Making NSP/funding request processes accessible to civil society

It is often difficult for CBOs to participate meaningfully in NSP and funding request development processes.

Barriers include the following:

- NSP and funding request development discussions are often highly technical, involving technical working groups with disease and finance experts.
- Communication exchanges are frequent and often take place over the internet through emails and Skype.
- Even when CSOs are eager to participate, many of them speak only the national or a regional language. This makes it difficult for them to engage meaningfully when NSP/funding request processes are conducted in an official non-national language.³
- CBOs based outside national capitals face additional barriers because of distance.

PRs can do the following to minimise the impact of these barriers:

- Follow up with CCMs to ensure key CCM documents are translated into national/local languages. The translation of local languages should be more targeted and based on local epidemiological context.
- Follow up with CCMs to ensure regular, clear and simple updates are provided to CBOs (both SRs and non-SRs) on NSP/funding request deliberation processes in national/local languages.
- Allocate resources to help CBO SRs access the internet, email, Skype.
- Allocate resources to allow PR staff to support CBO SRs/SSRs to hold regular community meetings/caucuses.
- Follow up with CCMs to ensure CBOs from outside national capitals are given practical support to attend and present at NSP/funding request deliberation meetings – particularly those who have done epidemiologically relevant and evidence-based research.



[ICASO Country Dialogue Guide for CSOs and KAPs](#)

3. An example is Pakistan, where the national language is Urdu, the official language is English, and where there are several regional languages, including Punjabi, Pashto, Sindhi, etc.

03

Grant making

3.1 Standard expectations of the Global Fund

3.2 Beyond standard expectations of the Global Fund



A group awareness session with women working in Daulatdia Brothel, Rajbari, Bangladesh. © Syed Latif Hossain/Alliance

3.1 Standard expectations of the Global Fund

Respective roles of implementers and CBOs/KAPs

As in the NSP/funding request stage, civil society engagement is expected to continue in the grant-making phase. The table below shows relevant roles for implementers and non-implementing CBOs and KAPs, during the grant-making stage of the funding cycle.



[Global Fund Country Dialogue Information Note](#)
[Global Fund Updated FAQ on 2017-2019 Funding Cycle](#)
[Global Fund FAQ on Community, Rights and Gender and the 2017-2019 Funding Cycle](#)

Respective roles of implementers and CBOs/KAPs during grant making		
	Implementers (Current and aspiring PRs)	CBOs/KAPs (Currently not implementers; may consider becoming one)
Grant making	<ul style="list-style-type: none"> ■ Lead a participatory grant-making process once the funding request has been approved ■ Prepare required documents for grant making and submission to the Global Fund Secretariat (performance framework, budget, PSM plan, M&E plan, audit, master data) ■ Update and finalise implementation arrangement map to include additional implementers (SRs/SSRs) or new information (funds, commodities and reporting flows) during grant making ■ Complete PR's own capacity assessment per Country Team's request and conduct capacity assessments of SRs not assessed by the Country Team ■ Ensure capacity building and risk mitigation plans are in place for both PR and SRs/SSRs ■ Finalise grant documents with the Global Fund Secretariat ■ Negotiate and finalise the grant terms and conditions, which address residual risks and capacity gaps not addressed during grant making but will need monitoring during grant implementation 	<ul style="list-style-type: none"> ■ Contribute to the development of the grant activity plan with technical partners and other country dialogue participants to ensure key decisions made during the development of the funding request are maintained during the grant-making phase ■ Support the response to clarifications required by the Global Fund's Technical Review Panel or Grant Approvals Committee ■ Ensure civil society implementers provide their experience for the design of the implementation arrangements (PR work plans and M&E plans in particular) ■ Participate actively in submitting proposals to act as SRs/SSRs and provide supporting documentation (capacity assessment per Country Team and/or PR) if identified as SRs/SSRs, including having strong M&E, risk mitigation and capacity development plans in place
<p>Source: Global Fund Resource Book for 2014-2016 Funding Cycle Applicants and Global Fund FAQ on Community, Rights and Gender and the 2017-2019 Funding Cycle</p>		

Open and transparent selection of SRs

The Global Fund's funding model encourages PRs to identify, select and recommend SRs to CCMs for endorsement. While SRs can be identified during the funding request stage, their selection by the PR would usually take place during grant making. It is strongly recommended that PRs identify SRs that are critical for the implementation of the grant to ensure grants are ready for disbursement before contracts are signed. However, the selection of key implementer SRs is subject to final approval by the Global Fund

following a capacity assessment (see further details on key implementer SR and capacity assessment in Section 3: Grant making).



[Global Fund Implementers Guidelines](#)

PRs are expected to ensure their SR selection is open and transparent. Since they are expected to engage SRs as early as the funding request stage, it is particularly important for PRs to demonstrate neutrality in the SR selection process during grant making. This can be done by ensuring that the call for proposals meets certain criteria and that there

is a panel in place to review proposals submitted. Considerations for the call for proposals and for proposal review panels include:

Call for proposals

Basic components of a call for proposals include:

- grant objectives, proposal template
- budget template
- proposal review criteria
- submission deadlines
- inquiry correspondence and submission channels.

- 
[MAC Call for Proposals Sample](#)
[MAC Proposal Template](#)
[MAC Budget Template](#)

Proposals review panel

- A typical review panel is made up of three to five non-PR/SR/SSR/CCM technical experts such as academics and multi-lateral agency representatives. Panel members are chosen based on their technical expertise, such as disease, community systems and health systems.
- PR senior staff should attend the meeting of the panel to provide relevant grant background information.
- The panel should select a chair from among themselves before the review meeting.
- All panel members should declare conflict of interest (Col) and sign the Col declaration form before the review meeting.
- The review panel's meeting to decide on the merits of proposals should follow an agenda that includes:
 - grant background information prepared by the PR
 - a Col enforcement discussion
 - a qualitative discussion of each proposal
 - applicant organisations' presentations and Q&A
 - scoring proposals
 - a discussion to agree on recommendations to the PR
- To demonstrate transparency, the minutes of the meeting, including the PR's summaries of proposals presented to the panel, should be available to anyone upon request.
- When evaluating proposals, the panel should try to ensure a balance between quantitative scoring and qualitative considerations. The panel can score a proposal as a group, or each individual panel member can score the proposal and the

scores are then averaged. Either way, the review criteria included in the call for proposals should be adhered to. The recommendations and rationale, both quantitative and qualitative, should be documented in the meeting minutes.

- 
[MAC Proposals Review Panel Col Declaration Form](#)
[MAC Proposals Review Panel Meeting Agenda and Minutes Template](#)
[MAC Proposals Review Panel Proposal Evaluation Form](#)



Additional resources

Here are the SR management manuals of four PRs managing CBO SRs. Each PR might have slightly different versions of the

SR selection process, but all follow the same principles of openness and transparency:

- [Alliance Nationale Contre le SIDA \(Côte d'Ivoire\) SR Management Manual \(in French\)](#)
- [India HIV/AIDS Alliance SR Management Plan](#)
- [Corporación Kimirina \(Ecuador\) SR Management Manual \(in Spanish\)](#)
- [MAC SR Management Manual](#)

Implementation arrangement map updates

The implementation arrangement map, which shows the flows of funds, commodities and reports between implementers, beneficiaries and other relevant stakeholders, can be started as early as funding request development. It should be updated periodically by the PR throughout the grant making stage as new information about PRs/SRs/SSRs becomes available. For example, when SRs/SSRs recommended by the PR's proposal review panel are endorsed by the CCM, or when the PR agrees to the SR's sub-grant size and commodities volume. These updates should be shared with the CCM and the Country Team on a regular basis.

- 
[Global Fund Implementers Guidelines](#)
[Global Fund Implementation Mapping Guidelines](#)

Key-implementer SR capacity assessment by Country Team

Before approving the PRs/SRs endorsed by the CCM, the Country Team has to decide which SRs it wants to assess in addition to the PRs. It also has to decide on the scope of the assessment of these PRs/SRs in terms of their implementation capacities (programme/M&E, finance, PSM, governance and management). PRs are expected to conduct the capacity assessment of the SRs that the Country Team chooses not to assess.

[Global Fund Operational Policy Manual](#)

The decision as to which SRs will be assessed by the Country Team itself is based on whether the SR is considered a **key implementer** by the Country Team. Questions, on which this consideration is based, include:

- Does the SR manage a substantial portion of funds?
- Is the work of the SR a critical component from a programmatic standpoint?
- Does the SR have a track record of weak, unreliable implementation?
- Does the Country Team have sufficient information on the implementer's capacity?

Once the Country Team has decided which SRs it wants to assess, it tailors the scope of the capacity assessment of the PR and individual SRs based on the Global Fund Secretariat's in-house Capacity Assessment Tool (CAT). This is based on the Country Team's own assessments, often with little input from the PRs/SRs that are being assessed. The higher the risk the Country Team sees in a PR/SR, the larger the scope of the capacity assessment⁴ it will tailor. The Country Team can also choose which sections/questions it would like to engage the Local Fund Agent (LFA) on to verify the PR/SR's answers and make recommendations on PR/SR capacity improvement.

[Global Fund Capacity Assessment Tool \(CAT\) Questions](#) [Global Fund Capacity Assessment Tool \(CAT\) Guidelines](#)

Key-implementer SR capacity development plans

PRs are required to work with the Country Team to address the capacity gaps of all SRs (both key and non-key implementers) that can be dealt with during the grant making stage. Long-term gaps should be included in capacity development plans to be implemented and monitored as conditions in grant agreements. Implementation progress of these conditions will be subject to review by Country Teams in the progress update and disbursement requests (PU/DR).

[Global Fund Operational Policy Manual](#)

PR work plans and M&E plan development

PRs are expected to consult CBOs/KAPs (SRs and non-SRs) on the PRs' own operational and M&E plans during the grant making stage. This is to ensure

that programme activities are relevant to community situations, and that appropriate indicators and targets are chosen for the PRs' performance frameworks.

[Global Fund Operational Policy Manual](#)

SR grant-related documentation

PRs are required, before grant contract signing, to support, review and approve SRs operational plans, budgets and performance frameworks. This is to ensure that they are aligned with the PRs own operational plans, budgets and performance frameworks.

[Global Fund Operational Policy Manual](#)

SR understanding of legal obligations

PRs are required to ensure that the SRs fully understand their legal obligations upon signing contracts, including conditions to address capacity gaps.

[Global Fund Operational Policy Manual](#)

3.2 Beyond standard expectations of the Global Fund

Consulting CBOs on SR selection criteria

Because of its limited resources and its value for money principle, the Global Fund cannot support all CBOs in a given country. As a result, funding decisions can lead to rivalry between CBOs. This is one of the reasons why PRs have to select SRs based on fair and open processes, including objective selection criteria based on performance capacities. However, potential rivalry can be minimised further by engaging CBOs to agree to a set of selection criteria, prior to the PR's call for proposals. Such criteria for prioritising CBOs for funding could include:

- implementation track record
- commitment to and trust by community
- relevance of activities' programme proposed
- general management – finance, human resources, inventory.

This may help to get CBOs' buy in to the criteria before they are applied in the selection process. So, before issuing the call for proposals, PRs can organise a consultation with CBOs. This could be piggy-backed on the PR's consultation on operational and M&E plans.

[Alliance Participatory Workshop Facilitator Guide](#)

4. There are up to 36 sections covering programme/M&E, finance, PSM, governance and management and each section has on average five questions.

Supporting key-implementer CBO SRs to proactively assess and mitigate risks

The Country Team's decisions on the scope of capacity assessments of key-implementer SRs are based on existing information about:

- the type of implementer – existing vs. new
- its role in the programme – is it critical to the grant's objectives?
- value of the funding – as compared to the total grant amount
- availability of information on the implementer being assessed, and their systems.

However, key-implementer CBO SRs can be more proactive in assessing risks and proposing plans to mitigate these risks to the Country Team. Developing systematic and comprehensive risk mitigation plans can help reassure the Country Team that most risks have already been identified and are being managed. This approach can reduce the scope of capacity assessments by the Country Team. If successful, it can help reduce the number of conditions (capacity gaps) in the grant agreements and ensure that the conditions are more relevant to the SRs' actual situation. Perhaps more importantly, risk management is a very useful and proven tool to improve performance. It is a way of proactively managing risks that could derail performance **before** they actually arise.

The Global Fund's risk management team has designed an optional tool for PRs and SRs to assess risks and develop mitigation plans – the Grant Risk Assessment and Management Tool (GRAM). This tool is based on the Global Fund's experience with various risks in different countries and contexts, and on lessons learnt from the application of the Global Fund Secretariat's in-house Qualitative Risk Assessment Tool (QUART). GRAM covers the same four areas included in QUART – programme/M&E, finance, PSM, and governance and management – with 23 common risks identified (vs. QUART's 19 risks). It provides a framework to systematically and comprehensively assess these risks. The tool gives a definition of each of the risks and a list of possible corresponding contributing factors to help users to work with the tool.

The GRAM tool can be introduced to an SR using a facilitated in-country workshop, where they can become familiar with the tool.



Some tips on organising a risk management workshop using GRAM

- Set aside one to two days for the workshop, ideally away from the office. This can be part of annual review and planning.
- To encourage honest internal discussion on both its strengths and weaknesses, PRs, CCM or LFAs are advised not to attend this workshop.
- Do not limit workshop participants to just the Global Fund project staff (programme director, programme manager, M&E manager, finance manager, PSM manager). Other non-Global Fund staff within the organisation (executive director, head of programme/M&E, head of finance, head of PSM) should also take part to ensure that they support the risk mitigation actions for the Global Fund project.
- Choose a third party facilitator who is neither a staff/board member nor the funder's representative (such as the fund portfolio manager). This will help participants feel comfortable to identify risks without fear of the process being punitive.
- Make sure that the facilitator is familiar with the GRAM tool and able to encourage participants to consider all the risks in the tool and reassure them about the non-punitive and open nature of the process.

Workshop steps:

- **Assessing and prioritising risks** – Participants consider each of the 23 risks and assess the level of risk (low, medium, high or very high) based on the likelihood that the risk will arise in the next 12 months (highly unlikely, unlikely, likely, highly likely), and on how severe the impact on programme performance and health outcome would be if the risk did arise (minor, moderate, major, critical). (See Figure 2.)
- **Planning risk mitigation actions** – Those risks assessed by participants as high or very high should be given priority in mitigation planning. For PRs/SRs involved in the grant making stage, there should be two mitigation plans for each of

Figure 2: Assessing and prioritising risks. Extracted from [Global Fund GRAM Tool](#)

Risk levels Low, Medium, High, Very high		Severity			
		Minor	Moderate	Major	Critical
Likelihood	Highly unlikely	Low	Low	Medium	Medium
	Unlikely	Low	Low	Medium	High
	Likely	Low	Medium	High	Very high
	Highly likely	Medium	High	Very high	Very high

the prioritised risks – (1) one for risks that can be addressed during grant making and (2) another for residual risks that need more time to be dealt with during grant implementation. For PRs/SRs already in the programme implementation stage, only (2) is needed.

1. Mitigation actions during grant making	2. Mitigation actions during grant implementation
Risk	Risk
Risk level	Risk level
Action	Action
Timeline	Timeline
TA source	TA source
Costs	Costs
Person in Charge	Person in Charge

The assessment results and mitigation plans – actions, time lines, technical assistance (TA), costs and person-in-charge (staff to monitor the risk and coordinate mitigation actions if the risk materialises in the next 12 months) – can be captured in the GRAM tool (Excel file). Further guidance on how the workshop should be conducted is also available.



[Global Fund GRAM Tool](#)

[Global Fund GRAM Tool Guidance Note for In-country Implementers](#)

The immediate outcome of the workshop using this tool is that the key-implementer CBO SRs will:

- have a clearer picture of risks they face
- feel more confident about how to mitigate them when such risks arise, and so improve performance
- be better equipped to engage with the Country Team's QUART results, and influence the scope of capacity assessments tailored by the Country Team (CAT).

The chart on page 16 shows GRAM risks in columns and CAT capacities in rows. GRAM's contributions to CAT are highlighted with a ✓. This illustrates that systematically going through the GRAM tool will help the SR answer all capacity questions in the CAT.

The GRAM is also a tool to strengthen grant management and needs to be updated on a regular basis. At a minimum, GRAM should be updated annually, generally linked to a decision making process such as annual planning or annual progress update and disbursement decision.

Capacity Assessment Tool (CAT) Sections		GRAM 1 Programmatic & Performance Risks							GRAM 2 Financial & Fiduciary Risks							GRAM 3 Health Services & Health Products Quality Risks				GRAM 4 Governance, Oversight & Management Risks							Coverage Intensity (out of total 23 risks)
		1.1 Limited Program Relevance	1.2 Inadequate M&E & Poor Data Quality	1.3 Not Achieving Grant Output Targets	1.4 Not Achieving Grant Outcome & Impact Targets	1.5 Poor Aid Effectiveness & Sustainability	2.1 Low Absorptive Capacity or Over-commitment	2.2 Poor Financial Efficiency	2.3 Fraud, Corruption, or Theft of Global Fund Funds	2.4 Theft or Diversion of Non-financial Assets	2.5 Financial Non-compliance	2.6 Market and Macro-economic Losses	2.7 Poor Financial Reporting	3.1 Treatment Disruptions	3.2 Substandard Quality of Health Products	3.3 Poor Quality of Health Services & Use of Health Products	3.4 Poor Access and Promotion of Equity & Human Rights	4.1 Inadequate Governance at the national/ subnational level	4.2 Inadequate PR Governance & Oversight	4.3 Inadequate PR Reporting & Compliance	4.4 Inadequate GF Secretariat and LFA Management & Oversight	4.5 Inadequate SR Governance & Oversight	4.6 Inadequate SR Reporting & Compliance	4.7 Inadequate CCM Governance & Oversight	CAT Covered by GRAM		
M&E	1. National strategic plan and M&E coordination mechanisms	✓	✓			✓								✓	✓	✓	✓								Yes	7	
	National M&E System		✓														✓								Yes	2	
	2. National M&E Unit Capacity		✓			✓											✓								Yes	3	
	3. National Health Management Information System		✓			✓											✓								Yes	3	
	4. Quality of Services of National Disease Program		✓			✓									✓	✓	✓								Yes	5	
	5. National Surveys	✓	✓													✓	✓	✓							Yes	4	
	6. National administrative and financial data tracking mechanisms		✓			✓											✓								Yes	3	
	7. National Civil Registration & Vital Statistics system		✓														✓								Yes	2	
	8. National Data quality assurance mechanisms		✓			✓											✓								Yes	3	
	9. National Disease Program reviews and evaluation	✓	✓												✓	✓	✓								Yes	5	
10. Grant related M&E issues		✓																✓	✓		✓	✓		Yes	5		
PSM	1. Key stakeholders in supply chain and coordination			✓		✓	✓						✓												Yes	4	
	2. Product selection			✓			✓	✓	✓				✓												Yes	5	
	3. Forecasting/quantification and supply planning			✓			✓	✓	✓				✓												Yes	4	
	4. Management information and reporting systems			✓			✓	✓	✓				✓												Yes	4	
	5. Procurement			✓			✓	✓	✓	✓			✓												Yes	6	
	6. Receipt, storage and inventory management			✓			✓	✓	✓	✓			✓												Yes	5	
	7. Distribution			✓			✓	✓	✓	✓			✓												Yes	4	
	8. Quality assurance				✓									✓											Yes	2	
FMS	1. Organisation and personnel		✓	✓	✓		✓	✓	✓	✓	✓	✓						✓	✓	✓	✓	✓			Yes	15	
	2. Budgeting						✓	✓		✓															Yes	3	
	3. Accounting and recordkeeping								✓	✓															Yes	2	
	4. Purchasing and procurement						✓	✓	✓	✓			✓	✓											Yes	6	
	5. Payment and Invoicing							✓	✓	✓	✓														Yes	4	
	6. Payroll											✓													Yes	1	
	7. Cash management							✓	✓																Yes	2	
	8. Fixed assets management								✓	✓															Yes	2	
	9. Audit								✓	✓											✓				Yes	5	
	10. Implementing partners management capacity		✓	✓	✓		✓	✓	✓	✓	✓	✓			✓	✓	✓	✓		✓	✓	✓	✓	✓	Yes	18	
Governance & Programme Management	Background Information on legal status			✓	✓		✓	✓										✓							Yes	5	
	Management and organization		✓	✓	✓		✓	✓		✓	✓	✓		✓	✓			✓	✓		✓	✓	✓		Yes	15	
	Governance structure, management practices & processes			✓	✓		✓	✓		✓	✓							✓	✓	✓	✓	✓	✓		Yes	12	
	Human resource policies/procedures & expert staff			✓	✓		✓		✓	✓			✓					✓	✓		✓	✓			Yes	10	
	Infrastructure and management information system		✓				✓					✓						✓			✓				Yes	5	
	Risk management	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Yes	23	
	Selection and capacity building of SRs		✓	✓	✓		✓	✓				✓			✓	✓		✓	✓		✓	✓			Yes	12	
Management and oversight of sub-recipients		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓		✓	✓		✓	✓			Yes	16		
Number of CAT sections GRAM can potentially contribute to (out of 36 sections):		4	18	16	10	8	19	19	14	11	9	5	9	9	4	8	9	12	11	8	5	10	9	5	Yes	23	

Source: Extracted from *Global Fund GRAM Tool and Global Fund Capacity Assessment Tool Questions*

Supporting non-key implementer CBO SRs to assess and mitigate risks

As we have seen, there are significant advantages to pro-active risk management for key-implementer CBO SRs. This is also true for non-key implementer CBO SRs. CBO SRs usually have a set of unique programmatic and organisational challenges. These are mostly related to a change in their organisational culture as a result of Global Fund financial support – from being volunteer-based to becoming performance- and staff-driven service delivery organisations.

In addition to conducting their own risk management workshops, PRs can also support non-key implementer CBO SRs to conduct risk management workshops – risk assessment, prioritisation and mitigation plan development – using the GRAM tool. However, PRs will need to adapt the GRAM tool and consider the following:

- Adapt the GRAM tool to the non-key implementer CBO SRs' context by:
 - rewording risks and contributing factors to make it community-friendly
 - deleting risks not suitable for CBOs
 - adding risks unique to CBOs – the tool has place holders to add risks for each of the four functional areas.
- Allocate resources and help CBOs to identify suitable third-party facilitators who are familiar with challenges faced by CBOs, as well as with the adapted GRAM tool, and who have participatory workshop facilitation skills.
- Avoid being the workshop facilitator, or being an observer at the workshop, so that CBO

staff members do not feel that they are being scrutinised. This would make them less likely to be open about their thoughts during the workshop. Hold a separate post-workshop debriefing with the facilitator and the CBO leader instead.



[Global Fund GRAM Tool](#)

[Global Fund GRAM Tool Guidance Note for In-country Implementers](#)

[Alliance Participatory Workshop Facilitator Guide](#)

For non-key implementer CBO SRs the number of risks and corresponding mitigation plans would be smaller and less comprehensive than for key-implementers. Risk management is a good way of helping CBOs to create a culture of anticipating and managing programmatic and organisational risks.

PRs need to be realistic about a CBO's capacity to engage with a risk assessment and mitigation plan development process, especially if this is the first time they have been involved in such an activity. They may not be able to get it right the first time. What is more important is to let CBOs absorb the process, learn their own lessons, and see the benefits of risk management on their own (e.g. applying GRAM to assess risks on an annual or semi-annual basis). CBOs will only see how the risk management approach can help to sustain civil society engagement once they start institutionalising it. For example, they could integrate it into their regular management and governance processes and:

- make risk management plan updates a permanent agenda item of regular staff meetings
- fully integrate risk management assessment and mitigation planning into their existing annual review and planning processes.

04

Grant implementation

- 4.1 Programme/M&E
- 4.2 Finance
- 4.3 Procurement and inventory
- 4.4 Governance



Gladys Mosquera and family at home in Esmeraldas, Ecuador. She is an outreach worker for Association 21 de Septiembre – an association promoting the rights of sex workers. © Alliance



4.1 Programme/M&E

4.1.1 Standard expectations of the Global Fund

M&E training

PRs are expected to ensure that their SRs understand the grant M&E requirements and report their work to the PR accordingly. However, as we have seen, many CBOs were mainly volunteer-driven organisations before they took on Global Fund work. They had little exposure to M&E systems, let alone to the Global Fund's specific M&E requirements. It is therefore important that PRs design CBO-friendly M&E forms and templates, and train CBO SRs on how to use them. What may look simple and straight forward to PRs can be very challenging for CBOs. PRs can:

- start M&E training as soon as the CBO SRs have been approved by the Country Team in the case of key-implementer SRs, or approved by the CCM in the case of non-key implementer SRs
- integrate M&E risks and related mitigation actions (those in grant conditions in particular) into M&E training
- train all staff of the Global Fund project, not just one CBO SR staff member
- follow up during programme/M&E site visits.



[Global Fund Standard Terms and Conditions](#)
[Global Fund M&E Plan Guidelines](#)
[Global Fund M&E Measurement Guidelines](#)

Programme data quality

As a performance-based funding mechanism, the Global Fund puts a lot of emphasis on the quality of the programme data, which supports the calculation of the SR's performance indicators against agreed targets. The Global Fund typically uses LFAs to conduct onsite data verifications (OSDV) to check at the SR level if a reported service was actually delivered, or a reported commodity actually distributed. PRs are expected to inform their SRs about upcoming LFA's OSDVs, and ensure that SRs cooperate with the LFA during these by providing access to their programme data for review, and to programme beneficiaries for interviews. PRs can help CBO SRs to better prepare for LFA OSDVs. They can:

- include data quality in M&E training during the early phase of the grant

- conduct data quality checks during programme/M&E site visits to help CBO SRs to identify and rectify potential data quality problems before LFA's OSDVs.



[Global Fund Standard Terms and Conditions](#)
[Global Fund M&E Plan Guidelines](#)
[Global Fund M&E Measurement Guidelines](#)
[Global Fund LFA OSDV Planning and Reporting Template](#)
[Global Fund LFA OSDV Planning and Reporting Template User Guide](#)

Programme report submissions

PRs are expected to ensure that all SRs submit programme reports on time for PRs to compile into the PR's aggregated periodic progress reports (PU/DR) to the Global Fund. PRs usually have six weeks after the end of the reporting period to submit PU/DRs. So, delays in SRs submission of their reports would mean less time for PRs to review and aggregate reports from different SRs. PRs can implement the following to help SRs submit reports on time:

- Include mock reporting in M&E training for SRs
- Provide on-site support to SRs for the first one to two rounds of reporting, or as needed
- Send reminders to SRs about reporting deadlines at least two weeks in advance of every reporting period



[Global Fund Standard Terms and Conditions](#)

Programme reviews

PRs are expected to monitor SRs' progress against work plans and targets in performance frameworks. They should:

- hold regular programme management meetings with SRs to support SRs to address challenges
- provide feedback to SRs after receiving programme reports or during site visits
- review SR programme reports together with financial and inventory reports to fully understand how the SR is implementing the project.



[Global Fund Standard Terms and Conditions](#)

In particular, PRs should have an internal cross-team review system during their review of SRs' routine reports – programme, finance and inventory. For example, the degree to which an SR has achieved their targets should be interpreted in the context of spend rate (expenditure vs. budget) and commodity inventory (received vs. distributed) to identify inconsistencies between programmatic and financial performance.



Additional resources

For ideas on how to promote cross-team collaboration in managing SRs, see:

- [MANGO Integrating Finance with non-Finance](#)
- [MAC SR Quarterly Programmatic and Financial Performance Summary Template](#)

Grant conditions monitoring

PRs are expected to monitor and report on SRs in particular key implementers', progress on their conditions included in grant agreements or relevant management actions (in programme/M&E components of risk mitigation and capacity development plans).

 [Global Fund Operational Policy Manual](#)

4.1.2 Typical CBO Sub-Recipient risks and capacity gaps

The Global Fund's largely output-driven performance framework is very helpful in assuring accountability to the donor in terms of outputs. However, it is less helpful in assuring accountability to programme beneficiaries in terms of outcomes. As a result, some CBOs can lose touch with the needs of the community they serve.

Inadequate client focus in both programme delivery and M&E

Driven by output-oriented performance targets, many CBOs become too focused on counting commodities or events (e.g. condoms distributed, referrals to clinics), and do not pay enough attention to the clients (e.g. whether the client successfully enrolled into the clinic). Outcome indicators, such as clients' uptake of HIV testing and treatment adherence, can tell CBOs more about whether their services are meeting the needs of their clients.

A lack of client feedback on service quality

In addition to becoming too output-driven, CBOs often do not have client feedback mechanisms in place to generate ideas for service improvements, in particular service quality. Although LFAs do conduct

rapid service quality assessments (RSQA) at the SR level, CBO SRs do not have to wait for these to be scheduled. Instead they can be more pro-active themselves in managing service quality to address the immediate concerns of their clients.

Take, for example, a case where a CBO SR with Global Fund targets need to refer PWID clients to the local government methadone programme, yet does not know the strict entrance criteria of the government methadone programme – e.g. previous enrolment in rehabilitation. A pro-active client feedback mechanism can help the CBO become aware of this problem early on. It can then start engaging with the methadone programme to negotiate more flexible programme entrance criteria. Without such a feedback mechanism, the CBO could be reporting success in referring clients when, in fact, the clients are not getting enrolled in the methadone programme because they are being turned away for not having been in the rehabilitation programme beforehand. With a client feedback mechanism in place, CBOs can not only spot potential problems and mitigate them, but also improve the service from the client's perspective.

A lack of strategic thinking

Many CBOs began as volunteer organisations responding to a specific need of the community. Few would have conducted strategic analysis – such as community needs assessment, strategic planning or stakeholder analysis – to identify the most effective and efficient ways of addressing community needs. However, as the organisation grows in terms of service delivery and reputation, the lack of strategic thinking capacity could limit the organisation's potential for further growth.

Strategic communication with government stakeholders is of particular relevance in this respect. In the past, CBO communications with government have focused on pointing out problems, which is of course an important part of civil society's role. However, over time it can become increasingly difficult to get the attention of the government without offering practical solutions. This is an important consideration, especially for CBOs in upper-middle income countries that are being transitioned out of the Global Fund's support, and where governments are expected to financially sustain the CBO's contribution after the Global Fund grant ends.

4.1.3 Beyond standard expectations of the Global Fund

Promoting client-focused M&E to improve health outcomes

To strike a balance between outputs and outcomes in its CBO SRs' services, PRs can design the M&E system to reflect both. They can:

- **introduce into the M&E system a unique identifier code for individual clients** – In addition to reporting on commodities and referrals, a unique identifier code enables CBO SRs to report on the number of unique clients served by tagging in the M&E system commodities distributed, or referrals to specific clients. This confidential unique identifier code serves as a constant reminder to CBOs of the need to look at their clients as individuals, rather than just recipients of commodities or services. More importantly, it supports case management, which is a proven strategy for enhancing service quality.
- **introduce case management supported by the unique identifier code** – Case management broadly means a client is followed up until the desired health outcome is achieved. For example, client-level analysis can now be done using the unique identifier code to inform how to improve services for that client. A client can be reminded about upcoming scheduled medical appointments, or, a client who is waiting for HIV confirmatory test results, can be followed up and provided with treatment adherence support

 [Case Management Association of America – Standards of Practice](#)
[USCDC Guidelines for HIV Programme in Non-Clinical Settings](#)

- **support CBOs to understand how to use unique identifier codes** – CBOs will need practical support in terms of entering and analysing data to make it operationally relevant to the day-to-day work of CBO staff.



Additional resource

For an example of a CBO-friendly client-focused M&E system to support case management, see:

- [Alliance for Public Health Linking Organisations M&E System – SyrEx2](#)

Promoting learning-oriented M&E to improve performance and service quality

In addition to becoming more client-focused, CBOs need to be more pro-active in learning from their clients and communities. This will help to improve both performance and service quality, and ensure the CBO's services are meeting the needs of their communities. PRs can empower CBOs to become more learning-oriented. They can:

- support CBO SRs to document good practices by suggesting that every CBO SR staff documents, in one to two pages, a good practice within their responsibilities. This can be done on a quarterly basis and presented at staff meetings⁵
- support CBO SRs to analyse their regular programme and financial reports to identify inconsistencies and draw lessons before submitting them to PRs. This could be done by having joint PR programme and finance site visits to SRs before the submission date – e.g. for the first one to two rounds of reporting
- support CBO SRs' staff and board to conduct an annual review and planning exercise to:
 - review programmatic⁶ and financial performance in the past year
 - present review results to the communities the CBO SRs serve
 - collect community feedback on the review, and on recommendations for next year's work
 - PR programme staff can help facilitate a two-to-three-day workshop for such an annual review and planning exercise.

 [MAC SR Annual Review and Planning Workshop Agenda Sample](#)
[Kansas University Community Tool Box Chapter 40, Maintaining Quality Performance](#)

Enhancing strategic communications capacity with government stakeholders

CBOs' services often involve linking clients from marginalised KAPs to government health services. However, government services can often be – or at least are perceived by marginalised KAPs to be – stigmatising and discriminatory. PRs can consider the following strategies to enhance their CBO SRs' strategic communications skills:

- Support CBOs to conduct government stakeholder mapping – looking at who these

5. The presentation should describe the practice, explain why it is a 'good practice' and suggest how it can be implemented.

6. Include here the good practices documented by individual staff throughout the year.

stakeholders are, why they should listen to CBOs, and what CBOs can offer them

- Support CBOs to identify which government stakeholders would have the biggest potential impact on the success of their services
- Support CBOs to conduct evidence-based community surveys (see Section 2.2 on community surveys during NSP/funding request)
- Identify a range of potential solutions that CBOs can offer to their target government stakeholders.
- Introduce CBOs to the target government stakeholders and support them to present community survey results, offer options of solutions, and negotiate

 [Kansas University Community Tool Box Chapter 31, Conducting Advocacy Research](#)



4.2 Finance

4.2.1 Standard expectations of the Global Fund

Finance training

SRs are expected to adhere to the same standards of financial management and internal controls as their PRs. For CBO SRs, financial management usually refers to simple bookkeeping, off-the-shelf accounting software, records keeping (receipts and fixed assets registers) and cash management (petty cash). CBO SRs are also expected to have internal control measures to manage conflict of interest and to prevent fraud, corruption and unauthorised expenses (inter-project borrowing, per diems, allowances). PRs are expected to train SRs on the Global Fund's standards of financial management and internal controls.

 [Global Fund Standard Terms and Conditions](#)
[Global Fund Grant Regulations](#)
[Global Fund Code of Conduct for Recipients](#)
[Global Fund Budget Guidelines](#)

PRs can:

- start finance training as soon as the CBO SR has been approved by the Country Team, in the case of key-implementer SRs, or approved by the CCM, in the case of non-key implementer SRs

- integrate finance risks and mitigation actions (those in grant conditions in particular) into the training
- train not just one CBO SR finance staff, but also the Global Fund project lead within the CBO SR. These two CBO SR staff members can then train others in the organisation
- follow up during finance site visits.

Financial data quality

PRs are expected to ensure that SRs keep their financial records such as invoices, payments and receipts up-to-date, filed and securely stored.

 [Global Fund Standard Terms and Conditions](#)
[Global Fund Grant Regulations](#)
[Global Fund Code of Conduct for Recipients](#)
[Global Fund Budget Guidelines](#)

PRs should:

- emphasise to all CBO SR staff the importance of keeping all financial transaction records up-to-date, particularly during finance training in the early phase of the grant
- provide SRs with feedback on data quality issues in financial reports submitted, and conduct data quality checks during finance site visits to help the CBO SR identify and rectify potential data quality problems before annual audits or LFA visits.

Financial report submissions

As with M&E reports, PRs are expected to ensure SRs submit financial reports on time for the PR to review and aggregate all of its SRs' data into its report to the Global Fund.

 [Global Fund Standard Terms and Conditions](#)
[Global Fund Grant Regulations](#)
[Global Fund Code of Conduct for Recipients](#)
[Global Fund Budget Guidelines](#)

To help CBO SRs to plan ahead for financial reporting, PRs can:

- include mock reporting in finance training for CBO SRs
- provide on-site support to CBO SRs for the first one to two rounds of reporting
- issue automated reminders to CBO SRs about reporting deadlines at least two weeks in advance of every reporting period.

Expenditure monitoring

Similar to programme reports, PRs are also expected to review SRs financial reports to monitor SRs' spend against budget.

- 
[Global Fund Standard Terms and Conditions](#)
[Global Fund Grant Regulations](#)
[Global Fund Code of Conduct for Recipients](#)
[Global Fund Budget Guidelines](#)

To support SRs to address under or over spend challenges, PR finance teams should:

- review the CBO SR's finance report together with the programme team to identify potential reasons for variations between expenditures and budget
 - 
[MANGO Integrating Finance with non-Finance tools](#)
[MAC SR Quarterly Programmatic and Financial Performance Summary Template](#)
- meet with the SR together with the programme team to ensure a financial performance discussion takes place within the context of programme performance.

Fund disbursements

PRs are expected to disburse funds to SRs in a timely manner. PRs are usually given a buffer of three, or exceptionally six, months of funds to ensure timely fund disbursements to SRs after approving SRs' reports. However, the buffer will not be disbursed to the PR by the Global Fund within the twelve-month execution period covered by the Annual Funding Decision.

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[Global Fund Standard Terms and Conditions](#)
[Global Fund Grant Regulations](#)
[Global Fund Code of Conduct for Recipients](#)
[Global Fund Budget Guidelines](#)

Audit arrangements

PRs are expected to ensure SRs are audited externally. The Global Fund now requires a consolidated grant-specific audit. This means one overall audit for all PRs and SRs. The previous separate-entity approach may be acceptable only as an exception. Where an SR is being audited separately, the Global Fund's audit guidelines apply.

- 
[Global Fund Standard Terms and Conditions](#)
[Global Fund Grant Regulations](#)
[Global Fund Code of Conduct for Recipients](#)
[Global Fund Budget Guidelines](#)
[Global Fund Annual Audits Guidelines](#)



Additional resources

For examples of how some PRs manage the financial aspects of their CBO SRs, see:

- [Alliance Nationale Contre le SIDA \(Côte d'Ivoire\) SR Management Manual \(in French\)](#)
- [India HIV/AIDS Alliance SR Management Plan](#)
- [Corporación Kimirina \(Ecuador\) SR Management Manual \(in Spanish\)](#)
- [MAC SR Management Manual](#)

Grant conditions monitoring

PRs are expected to monitor and report on SRs' (in particular key implementers') progress on their conditions included in grant agreements or relevant management actions (finance components of the risk mitigation and capacity development plans).

- 
[Global Fund Operational Policy Manual](#)

4.2.2 Typical CBO SR risks and capacity gaps

Inadequate internal controls

As noted in previous sections, CBOs usually began as a small group of volunteers delivering services without financial compensation. Their levels of awareness regarding potential risks that come with financial transactions are therefore often quite low.

Financial risks increase as CBOs become more successful in getting external funding for their projects, making the organisations bigger and more complex. The sheer increase in people, activities and monies involved increases the chances of abuses such as fraud, corruption and unauthorised expenses. This is the case for both small and large organisations.

However, most CBOs, understandably, would rather spend their energy on delivering on their mission, instead of coming up with internal control measures for things that have not happened. There is a tendency to dismiss these risks with views such as "we are all friends and we have known each other for a long time".

Another critical issue that poses substantial risk to CBOs is conflict of interest perceived by the community the CBO serves when project monies become substantial. If not managed properly, the potential conflict of interest of a CBO leader or

project staff could result in the CBO losing the trust of the community it serves, or worse, dividing the community.

Inadequate record keeping

Volunteer culture also makes it difficult for CBOs to adapt to the strict record keeping required for Global Fund reporting. Not having financial records in place to support financial reports results in delays in submitting these reports. CBO SRs are often asked by their PRs to revise their financial reports due to poor or lack of documentation (receipts, payments, invoices). Without systematic record keeping, CBOs can end up spending a lot of time re-tracing expenses. This then results in rounds of re-submissions to the PRs. Not only does this delay final submissions, it also demoralises the CBOs. They often end up wondering why the Global Fund wants them to spend so much time on reporting, rather than delivering the services for which they were contracted.

4.2.3 Beyond standard expectations of the Global Fund

Supporting SRs to develop financial procedures manuals

To help CBO SRs to mitigate potential financial risks related to Col, fraud, corruption and unauthorised expenses, PRs can help CBO SRs to develop their own versions of financial procedure manuals that are suitable to their context, while meeting the Global Fund's requirements. Here are some suggestions for PRs when working with CBOs to develop financial procedure manuals:

- Do not cut and paste from the PR's own financial procedures manuals. These can be too complex and end up overwhelming the CBO SRs. There is then little chance that the CBOs will be able to actually use them.
- Start the development of a financial procedures manual as soon as the CBO SR has been approved by the Country Team in the case of key implementers, or approved by the CCM in the case of non-key implementers.



[MANGO Finance Manual](#)
[MANGO Internal Control Guidance](#)
[MANGO Anti-Bribery Guidance](#)

- To encourage ownership and increase the chance that the manual will be used by the CBO SR, the PR finance team can facilitate the CBO SR to

form a small working group to draft the financial procedures manual. This working group should be made up of the CBO SR's lead and finance focal point, and a representative from the PR finance team.

- The PR representative on the working group can share manuals of other CBO SRs for the group to consider and adapt.
- The manual for CBO SRs should be no more than ten pages to keep it simple and easy to use for CBOs.

Supporting SRs to enforce financial procedures manual

To assist CBO SRs to put the financial procedures manual into use, PRs can:

- facilitate peer site visits for CBO SRs to see for themselves how other CBO SRs use their own manuals and get practical tips
- discuss challenges in enforcing the procedures manual with the CBO SRs regularly (e.g. once a week over the phone) during the first few months of the grant
- monitor the use of the manual during subsequent regular finance site visits and help CBOs to fine-tune the manual.



4.3 Procurement and inventory

4.3.1 Standard expectations of the Global Fund

Inclusion of PSM policies in SR sub-grants

PRs are expected to ensure that the Global Fund's standard health and non-health products procurement policies and guidelines that apply to the PRs are also applied to SRs. However, CBO SRs are rarely involved in the procurement of health products, and instead rely on their PRs to supply these products. For procuring non-health products such as outreach materials and office equipment (e.g. computers, filing system), all SRs are expected to follow the same standards expected of PRs by the Global Fund.



[Global Fund Standard Terms and Conditions](#)
[Global Fund Grant Regulations](#)
[Global Fund Code of Conduct for Recipients](#)
[Global Fund Budget Guidelines](#)

Monitoring of inventories

PRs are expected to ensure their SRs keep accurate and up-to-date records of all inventories, including the receipts and distributions of health products – e.g. condoms and lubricants received from PRs and distributed to clients. They also have to keep a fixed asset register for office equipment. These inventory management records can provide useful information in understanding programme performance.

 [MAC SR Management Manual](#)

Grant conditions monitoring

PRs are expected to monitor and report on SRs', in particular key implementers', progress on their conditions included in grant agreements and any relevant management actions (procurement and inventory management components of the risk mitigation and capacity development plans).

 [Global Fund Operational Policy Manual](#)

4.3.2 Typical CBO SR risks and capacity gaps

The cultural shift from a volunteer-based to a performance-based organisation with paid staff has also created challenges for CBO SRs in the areas of non-health products procurement and inventory keeping.

A lack of internal control for non-health product procurement

The concept of competitive bidding for major purchases is not that difficult for CBOs to understand. However, most CBOs get stuck in the execution and documentation of the process. This is usually because of a mix of their lack of interest in procurement details in general, a relationship-based culture of working, and little interest in or time for reading the Global Fund's lengthy procurement standard documents. Even though the grant size might not be very large by Global Fund standards, the amount of money involved could be quite substantial for CBOs who may not have received much financial support before.

The lack of a transparent and documented procurement process often becomes divisive, causing conflicts within the community the CBO serves. For example, a CBO SR serving the MSM community

purchases two laptops from the computer business owned by the leader of the CBO. This results in the MSM community accusing both the CBO and its leader of serving their own interests, instead of those of the community.

A lack of inventory record keeping

As in the case of procurement, the need to keep inventory records is not too difficult for CBOs to understand. It is again in the execution of this process where most CBOs fall short. This is because most of their services before taking on Global Fund projects did not involve commodities. Many CBOs did not even have an office, let alone office equipment such as computers.

A typical CBOs' friendship-based culture of working makes theft a difficult subject to raise. Not having a system to update inventories periodically makes the CBO less likely to detect and manage any thefts, both internally and externally. The lack of an inventory management system also limits the potential of inventory information being used to understand programmatic and financial performance of the CBO SR.

4.3.3 Beyond standard expectations of the Global Fund

Supporting SRs to develop procurement procedures and inventory management manuals

PRs can assist CBO SRs to discuss and design a procurement and inventory procedures manual that is easy to use while adhering to the Global Fund's standards. This manual can be integrated into the financial procedures manual and follow the same development process (see previous Section 4.2.3).

 [MANGO Internal Control Guidance](#)

Supporting SRs to enforce procurement procedures and inventory management manuals

The same follow-up support PRs provide to the financial procedures manual can also be provided here, particularly when procurement and inventory management are integrated into the financial procedures manual (see previous Section 4.2.3).



4.4 Governance

4.4.1 Standard expectations of the Global Fund

SR understanding of legal obligations

PRs are expected to ensure that SRs are legally registered and understand corresponding obligations stipulated in the agreements SRs signed with the PR.



[Global Fund Standard Terms and Conditions](#)

Grant conditions monitoring

PRs are expected to monitor and report on SRs', in particular key implementers', progress on their conditions included in grant agreements and any relevant management actions (governance and management components of the risk mitigation and capacity development plans).



[Global Fund Operational Policy Manual](#)

4.4.2 Typical CBO SR risks and capacity gaps

Inadequate accountability to beneficiaries

As we have seen above, the combination of chasing after outputs without balancing them with outcomes (i.e. meeting community needs), and being relatively relaxed about potential conflicts of interest, has led to many CBOs losing the trust of their own communities. It has also caused unhealthy divisions within the community and has diverted already-limited community resources from addressing urgent needs.

Inadequate internal governance system

Being volunteer-driven organisations, CBOs often depend heavily on charismatic leaders, who are trusted and respected by their communities. However, as CBOs grow in reputation and size, a lack of an internal governance system such as a board, or unclear roles within the board (e.g. CBO leader doubling as the chair of the board) can expose CBOs to potential risks in terms of their leaders abusing their power.



Additional resource

For details on board development, see:

- [Kansas University Community Tool Box Chapter 9 Sections 4-7, Board Development](#)

4.4.3 Beyond standard expectations of the Global Fund

Strengthening SR accountability to the community

To support CBO SRs to stay accountable to their communities, PRs can:

- encourage CBO SRs to do self-assessments of their accountability to their beneficiaries. These will highlight whether they are listening to and involving beneficiaries in key decisions; particularly on the services they deliver



[MANGO Accountability to Beneficiaries Checklist](#)

- ensure the annual review and planning of CBO SRs is community-based, and that beneficiaries are invited to provide feedback on the organisation's past work, as well as recommendations on how to improve it in the coming year.



[MAC SR Annual Review and Planning Workshop Agenda Sample](#)

Strengthening SR governance structure and process

Sustaining CBO SRs in the long run requires investing in the setting up a governance system to allow the community to provide both oversight and support⁷ to the CBO SRs. PRs can allocate resources to:

- support CBO SRs to establish boards and corresponding by-laws that specify governance processes, including, at a minimum:
 - board member elections (e.g. term limits)
 - decision-making processes (e.g. quorum, conflict of interest management)
 - annual general meetings (can be integrated into annual review and planning)
- support CBO SRs to develop board member manuals that specify:
 - board members' roles and responsibilities (e.g. oversight, strategic planning, resource mobilisation)
 - standards (e.g. conflict of interest)
- support CBO SRs to identify board member candidates outside the community, when such expertise is not available among current board members and the community (e.g. fundraising, strategic planning).

7. For example, with strategic directions and resource mobilisation.

05

Mobilising resources

5.1 Financial and technical assistance support

Current and aspiring PRs have a few options to fund their support for CBOs participation in NSP, funding request, grant making and implementation:

- The Global Fund's Community, Rights and Gender (CRG) programme has set aside resources to support civil society involvement at any stage of the funding cycle.

 [Global Fund Community, Rights and Gender Funding](#)

- For PRs selected by CCMs, they can access pre-financing through their Country Teams.

 [Global Fund Operational Policy Manual](#)

- For technical assistance at any stage of the funding cycle, please see:

 [Global Fund Technical Cooperation](#)



Appendix: Resources used in this guide

Global Fund

1. [Global Fund Funding Model Brochure](#)
2. [Global Fund Country Dialogue Information Note](#)
3. [Global Fund Implementation Mapping Guidelines](#)
4. [Global Fund Resource Book for 2014–2016 Funding Cycle Applicants](#)
5. [Global Fund Implementers Guidelines](#)
6. [Global Fund Operational Policy Manual](#)
7. [Global Fund Grant Risk Assessment and Management \(GRAM\) Tool](#)
8. [Global Fund GRAM Tool Guidance Note for In-country Implementers](#)
9. [Global Fund Capacity Assessment Tool \(CAT\) Questions](#)
10. [Global Fund Capacity Assessment Tool \(CAT\) Guidelines](#)
11. [Global Fund Standard Terms and Conditions](#)
12. [Global Fund Grant Regulations](#)
13. [Global Fund Code of Conduct for Recipients](#)
14. [Global Fund Budget Guidelines](#)
15. [Global Fund Annual Audits Guidelines](#)
16. [Global Fund M&E Plan Guidelines](#)
17. [Global Fund M&E Measurement Guidelines](#)
18. [Global Fund LFA OSDV Planning and Reporting Template](#)
19. [Global Fund LFA OSDV Planning and Reporting Template User Guide](#)
20. [Global Fund Community, Rights and Gender Funding](#)
21. [Global Fund Technical Cooperation](#)
22. [Global Fund Updated FAQ on 2017–2019 Funding Cycle](#)
23. [Global Fund FAQ on Community, Rights and Gender and the 2017–2019 Funding Cycle](#)

International HIV/AIDS Alliance Linking Organisations

24. [Alliance Nationale Contre le SIDA \(Côte d'Ivoire\) SR Management Manual \(in French\)](#)
25. [India HIV/AIDS Alliance SR Management Plan](#)
26. [Corporación Kimirina \(Ecuador\) SR Management Manual \(in Spanish\)](#)
27. [Malaysian AIDS Council \(MAC\) SR Management Manual](#)
28. [MAC Call for Proposals Sample](#)
29. [MAC Proposal Template](#)
30. [MAC Budget Template](#)
31. [MAC Proposals Review Panel Member Conflict of Interest Declaration Form](#)

32. [MAC Proposals Review Panel Meeting Agenda and Minutes Template](#)
33. [MAC Proposals Review Panel Proposal Evaluation Form Sample](#)
34. [MAC SR Quarterly Programmatic and Financial Summary Template](#)
35. [MAC SR Annual Review and Planning Workshop Agenda Sample](#)
36. [Alliance for Public Health Linking Organisations M&E System – SyrEx2](#)

Case Management Association of America

37. [Case Management Association of America – Standards of Practice](#)

International HIV/AIDS Alliance

38. [Alliance Coordinating with Communities Series Part A – Background](#)
39. [Alliance Coordinating with Communities Series Part B – Meaningful Engagement](#)
40. [Alliance Coordinating with Communities Series Part C – Action Cards](#)
41. [Alliance Coordinating with Communities Series – Workshop Facilitation](#)
42. [Alliance Community Mobilisation Toolkit for CBOs – All Together Now](#)
43. [Alliance Community Mobilisation Tools for CBOs – Tools Together Now](#)
44. [Alliance Participatory Workshop Facilitator Guide](#)

ICASO

45. [ICASO Country Dialogue Guide for CSOs and KAPs](#)

Kansas University Community Tool Box

46. [Kansas University Community Tool Box Chapter 31, Conducting Advocacy Research](#)
47. [Kansas University Community Tool Box Chapter 40, Maintaining Quality Performance](#)
48. [Kansas University Community Tool Box Chapter 9 Sections 4-7, Board Development](#)

MANGO Financial Management

49. [MANGO Integrating Finance with Non-Finance](#)
50. [MANGO Finance Manual](#)
51. [MANGO Internal Control Guidance](#)
52. [MANGO Anti-Bribery Guidance](#)
53. [MANGO Accountability to Beneficiaries Checklist](#)

USCDC

54. [USCDC Guidelines for HIV Programme in Non-Clinical Settings](#)



Outreach workers from the Pink Triangle Foundation provide condoms, information and support to sex workers in Kuala Lumpur. © Alliance