

Big spenders – processes and priorities of fund and grant programmes

Balancing risk in the effective delivery of a funded programme requires a high degree of skill. Too bureaucratic and you risk suffocating activity; too loose and value diminishes.

'Anyone can give away money or spend it: but to do all this to the right person, to the right extent, at the right time, for the right reasons, and in the right way, is no longer something easy that anyone can do.' Aristotle, 350BC

In the intervening millennia since this quote from Aristotle, the effective spending of funds and grant programmes in the developing world has become much more complicated than even he could have envisaged. Grant programmes aimed at tackling health-related issues have long been a successful way of getting money to the people and projects that need it the most. Fund and grant managers still face inherent tensions, however, between managing risk and improving programme effectiveness, which must be carefully balanced using good judgement and good research.

Grant programmes take many forms, but differ from other programmes in that they are often demand-led, less prescriptive, and more flexible. Recipients can be funded to develop and implement more innovative and fluid projects that can provide tailored solutions to health concerns, be it developing an ambulance network, training eye care specialists, or building a support network for people living with HIV/AIDS. Some grant programmes have taken aim at tackling specific diseases or health issues – such as the Global Fund, which focuses on HIV/AIDS, tuberculosis, and malaria; or the Scaling Up Nutrition Fund in Zambia – while other funds have sought to raise overall healthcare standards in particular regions or countries, like the currently underway South Sudan Health Pooled Fund, and results-based financing programmes in many countries. Broader-spectrum funds have spread their nets more widely, like the Global Poverty Action Fund, which in aiming to tackle off-track Millennium Development Goals has funded a range of health projects, and some – like the Civil Society Challenge Fund – focus on strengthening advocacy work.

A grant manager's job requires intricate technical knowledge and the ability to balance management of risk with efficiency, while being the servant of multiple masters, including funders and grant recipients. Money must be spent well and transparently, while reaching deserving pockets of society and gaining the greatest impact for the money. So what is it that goes into allocating these life-saving grants among the people who need them most?

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Building structures and measuring success

A clear, over-arching strategy for a fund means it can outline and account for its ultimate purpose and guide decision-making. An important factor in building a successful grant management programme strategy is developing a strong logical framework, or logframe. This is a tool for planning and managing development initiatives, setting out what the project or programme is trying to achieve and a framework for assessing risk and effective monitoring and evaluation of progress against targets. Individual grant recipients must also have their own logframes to outline their stated objectives, how they will be achieved, and how they align with the overall purpose of the fund. A grant's specific logframe needs to set out realistic objectives and targets for the grant in question, which take into account the fact that targets must be aligned to specific circumstances: even if two grants have the same purpose, the measures of success would vary if one was being delivered in Zambia and the other in Benin.

In instances where logframes are absent or poorly structured, the overall purpose of a grant programme or fund can become muddled and indistinct, as no one has answered vital questions about objectives, strategies and measuring achievements. The absence of a strong logframe can be most stark in large funds that are not confined to tackling a single area, but rather seek to address a wider mission. As the money is divided and the grants trickle down to a diverse array of projects and purposes, if a fund does not have a clear strategy, it can quickly turn into a quagmire of small pockets of money that are not aligned to a cohesive mission.



Outreach – engaging with the service providers

Reaching out to the right recipients and making sure grants are spread evenly, fairly, and effectively is a major early challenge for a fund manager. A cohesive fund programme strategy will drive how a fund reaches out to its potential recipients, and the challenges and needs of this outreach vary according to the size and scale of its target recipients. Larger NGOs working in developing countries often have dedicated staff who are already trained and experienced in spotting and capturing funding opportunities. Communications can be much trickier, however, for funds that need to reach out to and engage smaller, more grassroots organisations, where much of the truly penetrative work is carried out.

Local NGOs often do not know how to play the application process – if they even know it exists at all. Fund managers must therefore work out the most effective means possible to inform and engage their target recipients and raise the impact of their funds' work. For some this means going out into the field to stage workshops and information-spreading exercises throughout eligible regions and demographics, inviting representatives from potential beneficiary organisations and providing a forum in which they can explain the aims of their fund and answer any questions about it. Tapping local knowledge networks is also vital, as we have found out with the South Sudan Health Pooled Fund, a Crown Agents-managed fund to strengthen health-care structures in six of South Sudan's ten states. We have made use of the South Sudan NGO Health Forum – an independent coordinating body of national and international health NGOs working in the country – to spread word about the fund among potential recipients. Outreach programmes such as these are vital to making sure that funds and grant programmes do not suffer from selection bias and become the preserve of organisations that have the resources and experience to seize funding opportunities or that have already benefited from grant funding in the past.

Assessing capability and capacity

Smaller organisations may have passion and purpose in abundance but the strict requirements and regulations that accompany international grant money can sometimes outstrip their capabilities. Through capacity assessments, the technical ability, financial management capability, and ethics of grant recipients must be thoroughly assessed, to make sure that they meet the relevant eligibility criteria and are able to effectively manage a grant and to identify any risks.

While making sure that the money is going to recipients that can spend the money well, grant managers must make sure these processes do not limit the ability of smaller, local organisations to access funds. The biggest risk for a grant fund is failure to achieve its stated objectives, so due diligence processes must be designed so that they do not hinder

the achievement of the fund's objectives. This again highlights the balancing of tensions that fund and grant managers must perform, requiring not only technical expertise but strong judgement and a pragmatic approach. Well-structured and implemented due diligence should not be a series of hurdles that must be cleared, but rather a tool to identify gaps and risks, as well as the means to address these through grant implementation.

If organisations are able to succeed here, then – if funding allows – they can often benefit from a much greater level of assistance from grant programmes. With the validity of their mission ascertained and their strengths and weaknesses identified, grant managers can build their organisational capacity in areas such as financial management, monitoring and evaluation, and governance, which can improve grant implementation and help achieve grant programme objectives, as well as having more long-term sustainable benefits for both organisations and beneficiaries.

The future of healthcare grant funding

Funds and grant programmes will continue to be vital mechanisms through which philanthropic and donor money is channelled to the world's developing nations. Experience has shown that they are able to support real changes at the most elemental levels: there is no doubt that funds like the Global Fund and GAVI have helped save lives. The challenges for the future lie in maintaining their efficiency and ensuring funds are able to reach those most in need and can help to create substantive and sustainable changes in health and other sectors. Increasing innovation is likely to drive change in the future – for donors and recipients – but what effect will that have on larger and smaller beneficiaries and the overall demographics of who receives grants? Will the role of advocacy and capacity-building funds grow in order to increase the sustainable impact of donor money? However global priorities shift in the coming years, grants and funds will continue to create structures to improve the quality of people's lives in the developing world and drive down disease, but the question of how they manage to do so will be an ongoing challenge.

