

Appendix 2
The Global Fund Costing Dimension

Analytical grouping	Cost category ⁷²	Description	Applicable Cost Inputs
Human Resources	1 Human Resources	Grants may finance the human resources costs of the Principal Recipient and any sub-recipients necessary to ensure that the objectives of the programs funded by Global Fund grants are implemented by competent and motivated individuals	1.1 Salaries - program management 1.2 Salaries - outreach workers, medical staff and other service providers 1.3 Performance-based supplements, incentives 1.4 Other human resources costs
Program-related Costs	2 Travel-related Costs	Travel-related costs typically include payment for the direct cost of travel and the direct cost of expenses incurred by the Principal Recipient, sub-recipient, or within the Country Coordinating Mechanism funding request for their members or employees to remain away from home for work purposes directly related to implementation of the Global Fund grant program	2.1 Training related per diems/transport/other costs 2.2 Technical assistance-related per diems/transport/other costs 2.3 Supervision/surveys/data collection-related per diems/transport/other costs 2.4 Meeting/advocacy-related per diems/transport/other costs 2.5 Other transportation costs
Program-related Costs	3 External Professional Services	Costs for external professional services should be budgeted at the most economic level, based on the scope and duration of the assistance needed to achieve the program's objectives. In cases of consulting services, the unit cost rates should be aligned with United Nations (UN) standard international or national rates, whichever is applicable. All international external professional services costs should firmly adhere to principles of value for money, and should be budgeted and expended only after demonstrably (based on documented evidence) exploring all local options providing similar services, and if such options are found to be programmatically unviable or financially more expensive. All hiring of external professional services should be fully compliant with indigenous procurement policies of the Principal Recipient(s)/sub-recipients(s)/sub-sub-recipient(s), as well as commonly practiced best practices and procurement principles of transparency, avoidance of conflicts of interest, quality and cost considerations dictating the procurement methodology selected (e.g. QCBS, QBS, single source selections etc.)	3.1 Technical assistance/consultancy fees 3.2 Fiscal/fiduciary agent fees 3.3 External audit fees 3.4 Other external professional services
Health Products and Commodities-related Costs	4 Health Products- Pharmaceutical Products	Pharmaceutical products are products used to treat the three diseases which include an active pharmaceutical ingredient in its finished dosage form. These are derived from the list of health products, quantities and costs and are automatically integrated in the budget as part of the Principal Recipient submission.	4.1 ARVs 4.2 Anti-tuberculosis medicines 4.3 Antimalaria medicines 4.4 Opioid substitutes medicines 4.5 Medicines for opportunistic infections and sexually transmitted infections 4.6 Private sector subsidies for artemisin-based combination therapies (ACT) (co-payments) 4.7 Other medicines
Health Products and Commodities-related Costs	5 Health Products - Non-Pharmaceuticals	All health products that cannot be classified as pharmaceutical products or health equipment would fall under this category. Health products- non-pharmaceutical products include items used to prevent, diagnose or treat the three diseases but which do not contain an active pharmaceutical ingredient. These are derived from the list of health products, quantities and costs and are automatically integrated in the budget as part of the Principal Recipient submission.	5.1 Insecticide-treated nets (long-lasting insecticidal nets/insecticide-treated nets) 5.2 Condoms – male 5.3 Condoms – female 5.4 Rapid diagnostic tests 5.5 Insecticides 5.6 Laboratory reagents 5.7 Syringes and needles 5.8 Other consumables
Health Products and Commodities-related Costs	6 Health Products - Equipment	Health equipment covers a vast range of health technical, equipment that are necessary/helpful for program implementation and their purchase is financed out of the Global Fund grant. These are generally items which have a useful life of more than one year, and they should be classified as fixed assets in the primary/subsidiary assets record of the implementers.	6.1 CD4 analyzer/accessories 6.2 HIV viral load analyzer/accessories 6.3 Microscopes 6.4 TB molecular test equipment 6.5 Maintenance and service costs for health equipment ⁷³ 6.6 Other health equipment

⁷² The costing elements of the Global Fund modular approach

⁷³ The implementer may also combine maintenance cost of all equipment (health and non-health) under cost input 9.4 if this will enhance efficiency and facility expenditure reporting.

Analytical grouping	Cost category ⁷²	Description	Applicable Cost Inputs
		Logistics Management Information Systems should be included in the health products – equipment category.	
Health Products and Commodities-related Costs	7 Procurement and Supply Chain Management Costs	Procurement and supply management costs, which are associated with the procurement and supply chain activities under the grant related to pharmaceuticals, health products and medical equipment starting from procurement until distribution to the lowest level the of the distribution chain	7.1 Procurement agent and handling fees 7.2 Freight and insurance costs (health products) ⁷⁴ 7.3 Warehouse and storage costs 7.4 In-country distribution costs 7.5 Quality assurance and quality control costs 7.6 Procurement and supply management customs duties and clearance charges 7.7 Other procurement and supply management costs
Infrastructure and Non-Health Equipment	8 Infrastructure	Infrastructure costs necessary to ensure that the Principal Recipients and any sub-recipients have sufficient physical capacity in place to implement and achieve the objectives of the programs funded by Global Fund grants. The budget for infrastructure and non-health equipment should build on the detailed needs assessment developed in support of the concept note. The needs assessment shall include the review of the existing assets and infrastructure in possession by the implementing entities, and provide evidence of any replacement or new procurement needed.	8.1 Furniture 8.2 Renovation/constructions 8.3 Infrastructure maintenance and other infrastructure costs
Infrastructure and Non-Health Equipment	9 Non-health Equipment	**all health-related infrastructure/ health equipment should be budgeted and charged to the health products - equipment category ***operational costs relating to infrastructure items, including repairs and maintenance, and additional items necessary for keeping the items operational are budget under the cost input 8.3.	9.1 IT - computers, computer equipment, software and applications 9.2 Vehicles 9.3 Other non-health equipment 9.4 Maintenance and service costs non-health equipment
Program-related Costs	10 Communication Material and Publications	Communication materials include any printed material and other communication costs associated with program-related campaigns, TV spots, radio programs, advertising, media events, education, dissemination, promotion, promotional items. Any human resources and/or technical assistance component of the communications materials and publications costs should be budgeted under human resources and/or external professional services categories, respectively.	10.1 Printed materials (forms, books, guidelines, brochure, leaflets...) 10.2 Television/radio spots and programs 10.3 Promotional material (t-shirts, mugs, pins..) and other communication material and publications costs
Indirect and Overhead Costs	11 Indirect and Overhead Costs	Indirect and overhead costs are normally “direct” in the sense that they can be directly attributable to the grant and may include office-related costs, (e.g. rent, electricity, utilities, mail, telephone, and internet, insurance, fuel, security, cleaning etc.).	11.1 Office-related costs 11.2 Unrecoverable taxes and duties 11.3 Indirect cost recovery - % based 11.4 Other PA costs
Program-related Costs	12 Living support to client/ target population	Living support to clients/target populations incorporates support for income-generating activities and is defined by the Global Fund as: monetary or in-kind support given to clients and patients enabling them to access program services e.g. school fees for orphans, assistance to foster families, transport allowances to the treatment and care centers, patient incentives, grants for revenue-generating activities, food and care packages, or costs associated with supporting patient care	12.1 Support to orphans and other vulnerable children (school fees, uniforms, books etc.) 12.2 Food and care packages 12.3 Cash incentives to patients/counselors/mediators 12.4 Micro-loans and micro-grants 12.5 Other costs related to living support to client/target population
Program-related Costs	13 Results-based Financing	Innovative investment model for cash on delivery mechanism. This investment model is available at the discretion of the Global Fund under specific circumstances.	The aspect of the results-based financing grant related and paid on performance. If there are other fixed costs not directly linked to performance, the regular cost inputs above should be used for those components.

⁷⁴ (if the tender specifically expects the product to be quoted Free on Board (FOB) and so freight charges are required to be paid)