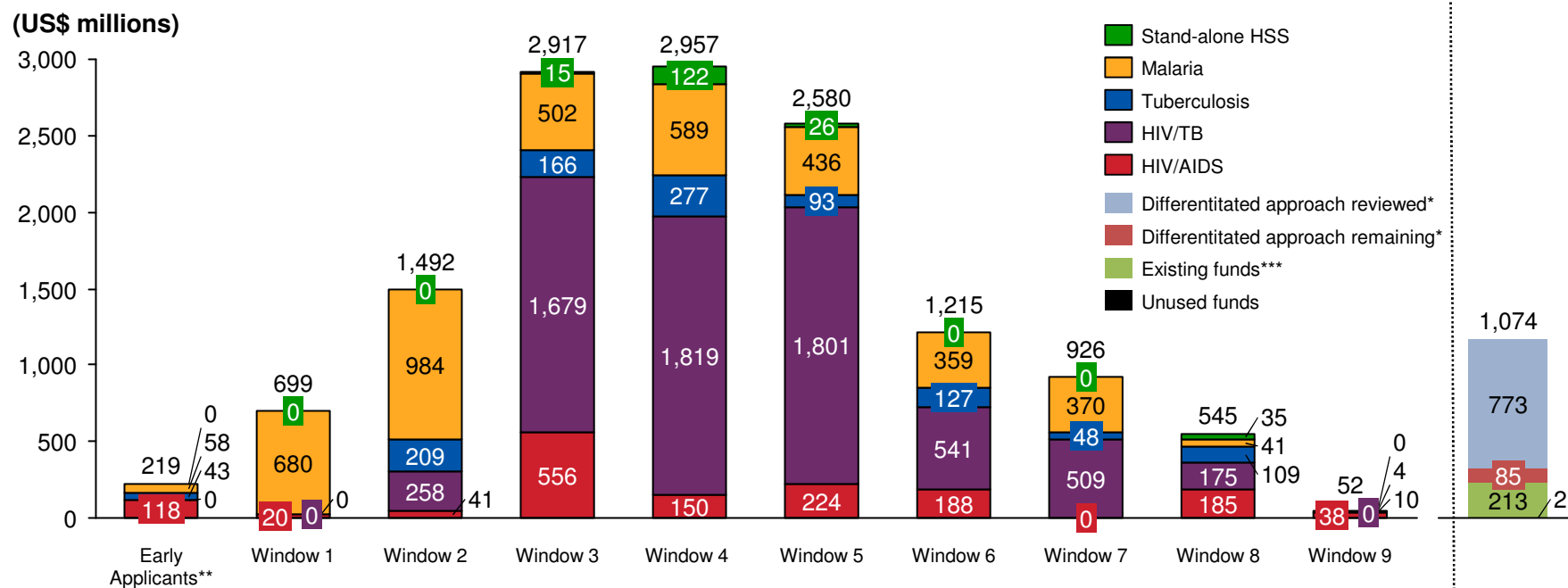


# Introduction to the 2017-2019 funding cycle and the differentiated funding application process

Geneva, Switzerland

## US\$14.6 billion of allocation funding reviewed in 2014-2016 funding cycle



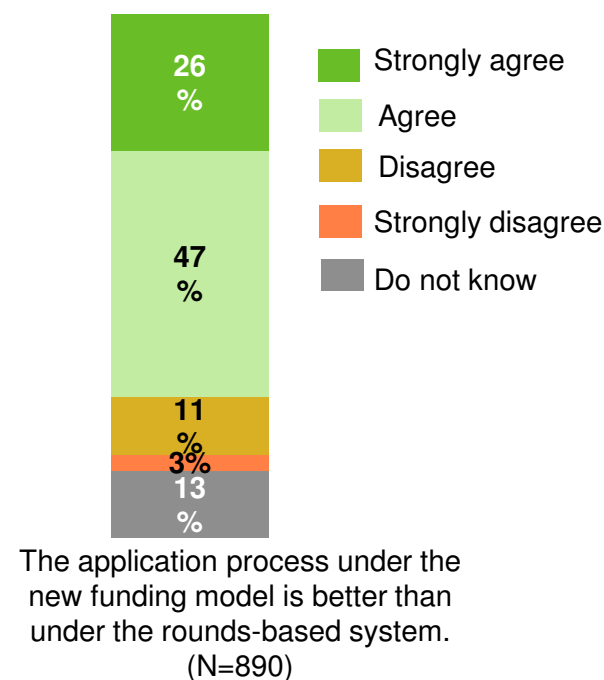
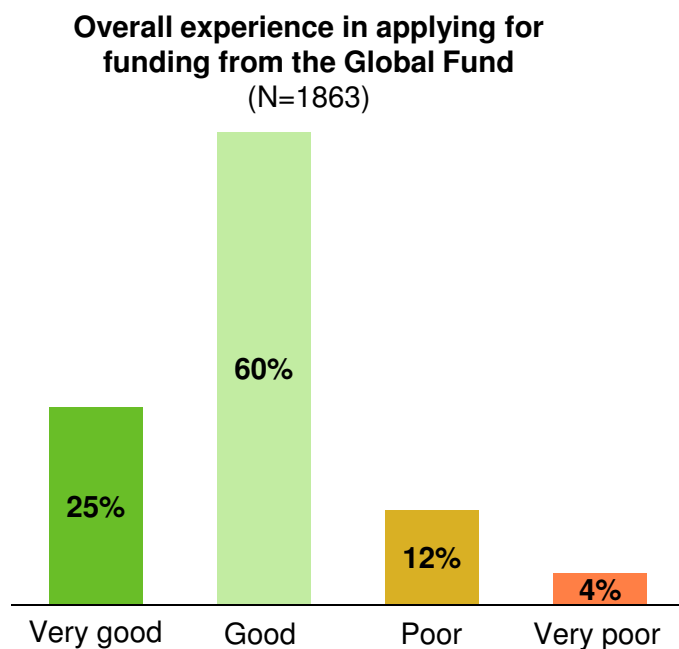
\*Includes simplified approaches, reprogramming requests (see concept note tracker). 88% of total allocated funding to differentiated approaches has been reviewed.

\*\*Includes Kazakhstan TB, Myanmar HIV and Myanmar TB. These components did not come back for TRP review in windows 1-9.

\*\*\*Includes components that had only existing funds and did not submit a concept note.

As of: 19 September 2016

## Survey results on allocation-based funding model experience



Source: Participant survey

As of: 29 March 2016

Note: Includes windows 1-9

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# Contents

- 
- 1 2017-2019 funding cycle
  - 2 Differentiated application process
    - Program continuation
    - Tailored and full review
  - 3 Practical advice
-

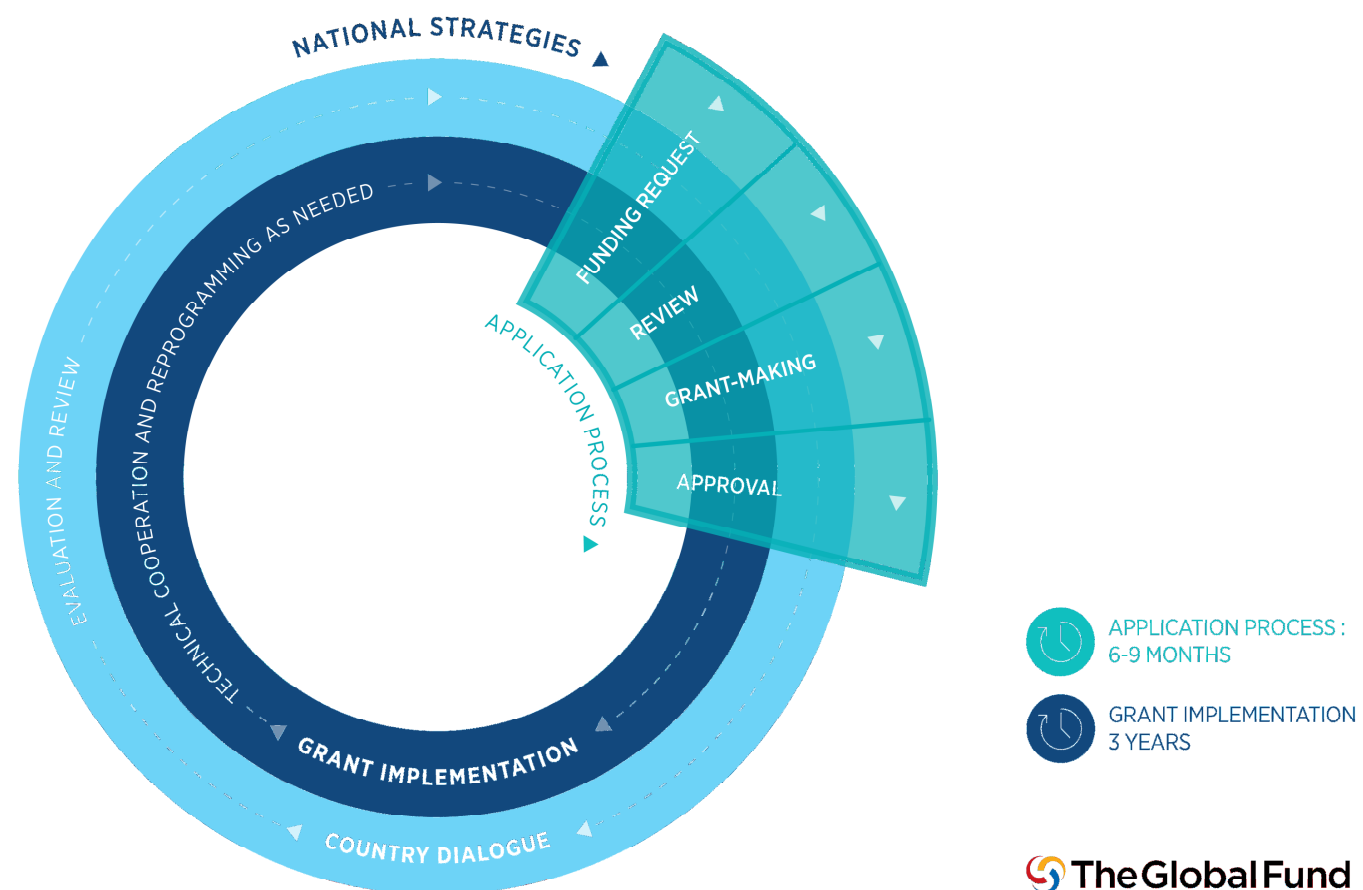
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## 2017-2019 funding cycle

## 2017-2019 funding cycle: key messages

- The allocation-based funding model was successful. **Changes are evolutions** based on lessons learned. These changes are not dramatic.
- Focus needs to be on implementation: intent is to **right-size access to funding** process so it takes less time.
- We encourage **joint applications** (joint programming of two or more disease components with health systems interventions).
- We encourage **investments in resilient and sustainable systems for health** across all income levels, and strongly encourage applicants to include all cross-cutting RSSH in **ONE** application (ideally the first one).

## FUNDING CYCLE

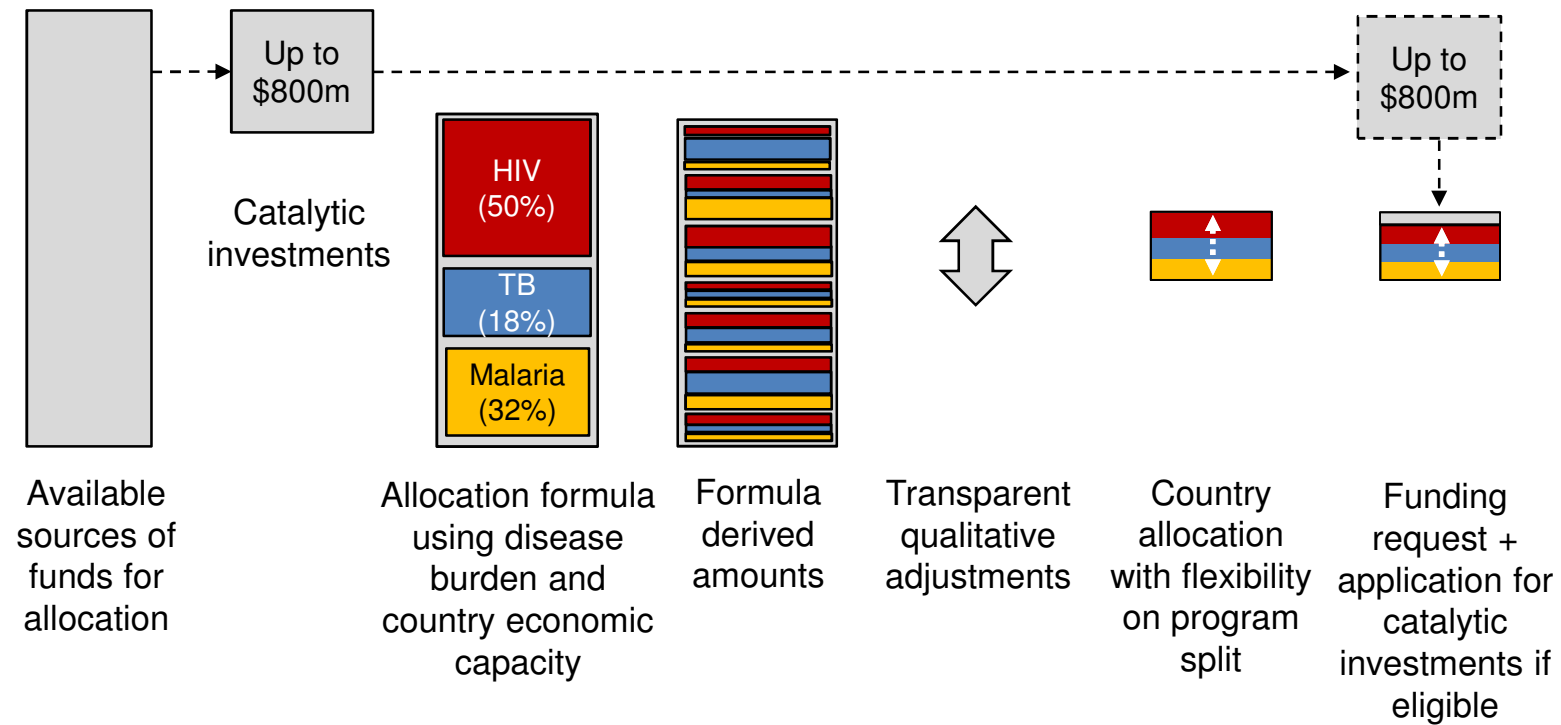


## 2017-2019 funding cycle: what's new?

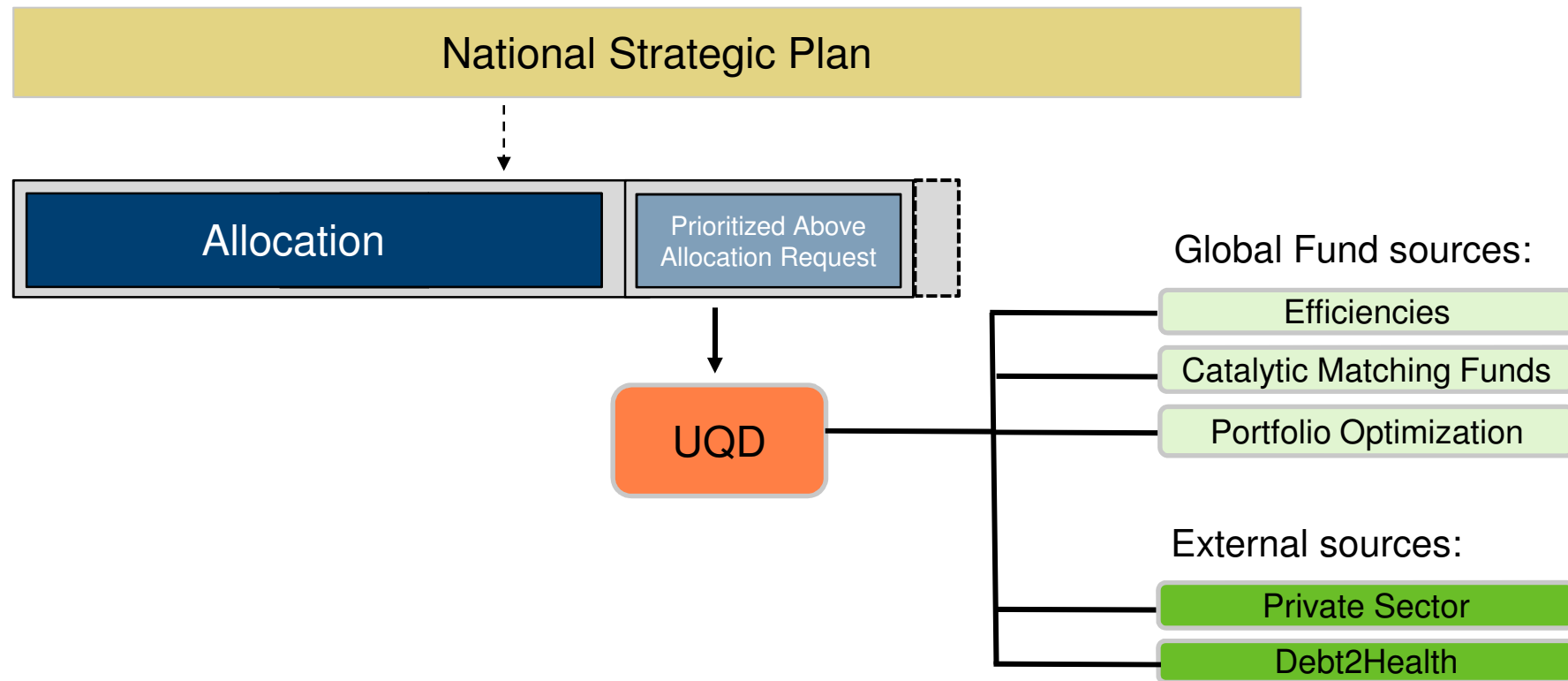
- No incentive funding. No full expression of demand.
- **Prioritized above allocation request** is now expected from all applicants.
- **Catalytic investments:** i) matching funds, ii) multi-country, iii) strategic initiatives
- No consolidation of funding across allocation periods. On-going portfolio optimization.



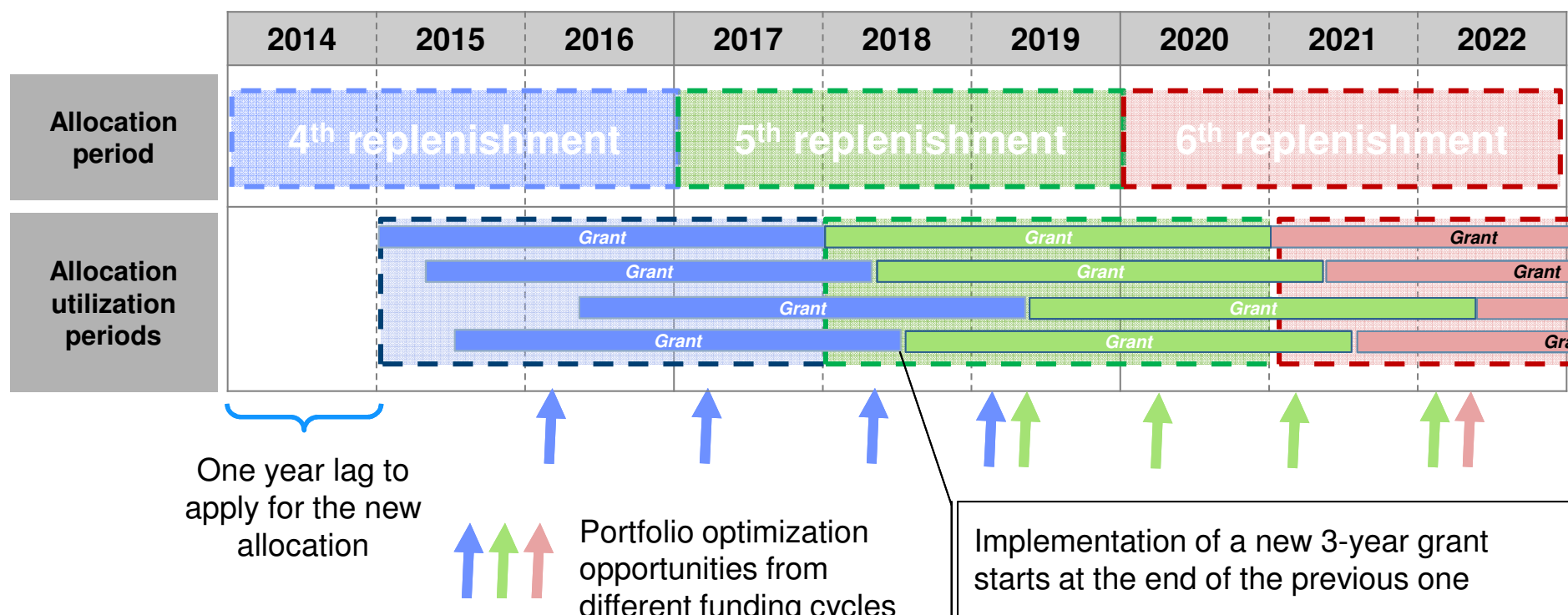
## 2017-2019 allocation methodology



## Sources of funding for Prioritized Above Allocation Request



## Allocation period and allocation utilization period

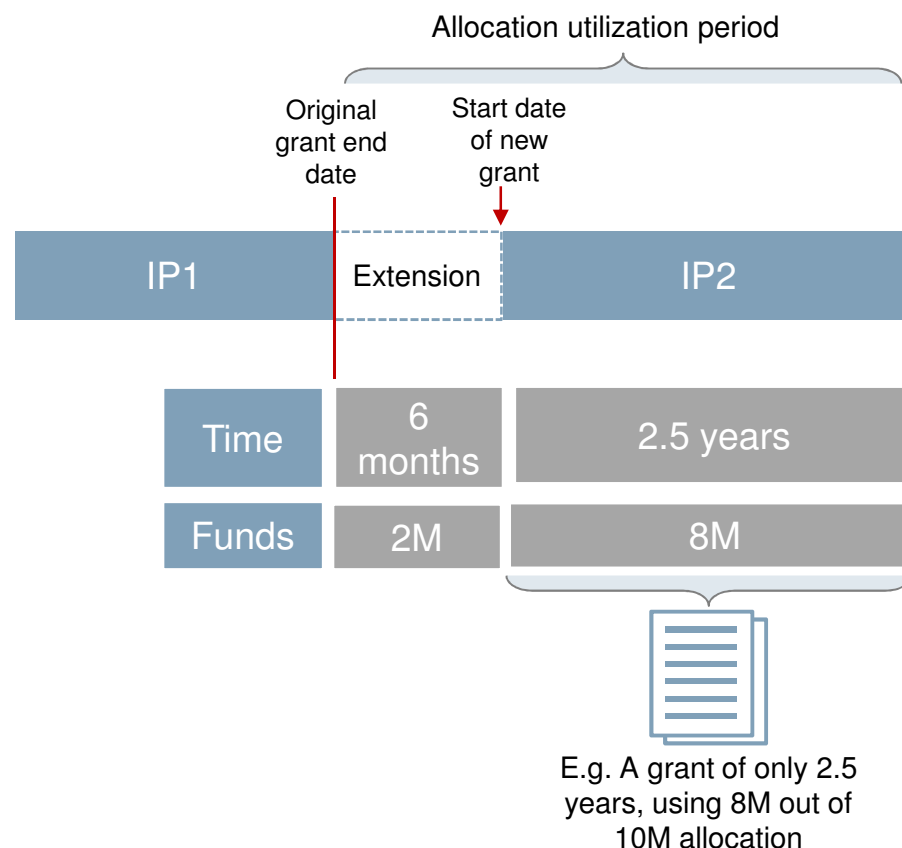


## Extensions: funding and time will come from next allocation

- No funds can be used from previous grant(s) beyond original grant end date.
- Extensions to the existing implementation period will be deducted from the next allocation in funds and time.
- Unused funds at the original grant end date will be used for portfolio optimization investments and top-up grants with high absorption levels and good performance.



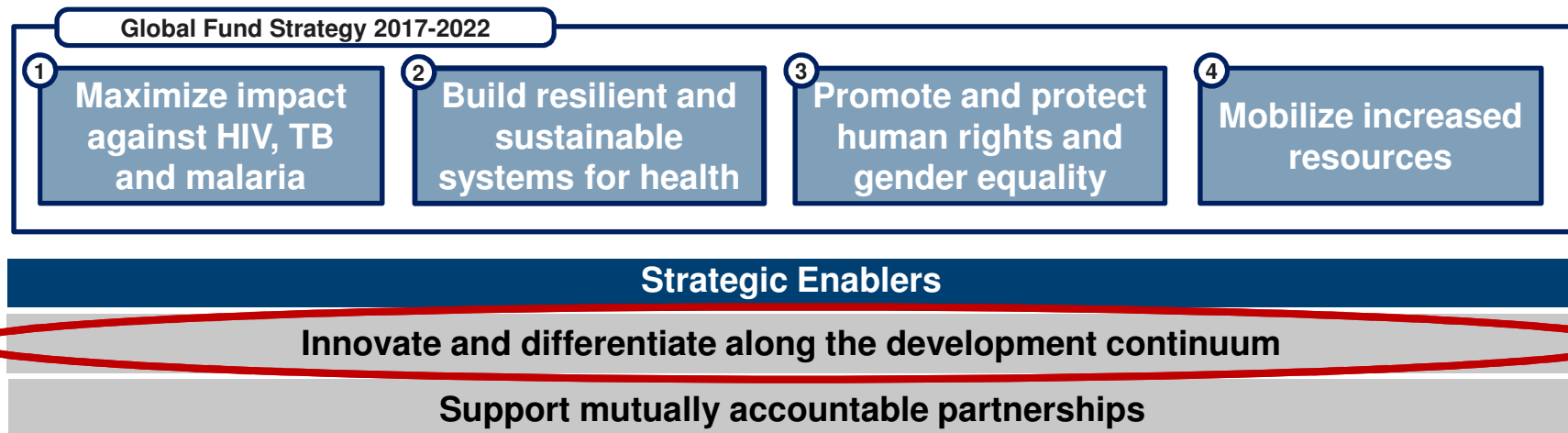
**Remember:** Funding from an allocation period can not be used beyond the original grant end-date.



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# Differentiation for Impact

## New strategy brings differentiated approach



*"This strategy embodies a smart, comprehensive and effective vision for global health. Our collective work has delivered greater health and created opportunity for millions of people. With this strategy, we can reach millions more."*

- Norbert Hauser, Chair of the Board of the Global Fund

## Differentiation framework for classifying portfolios

<b>Focused</b> (smaller portfolios, lower disease burden, lower mission risk)	<b>Core</b> (larger portfolios, higher disease burden, higher risk)	<b>High Impact</b> (very large portfolios, mission critical disease burden)
Portfolio Allocation < 75 m USD % of Global DB: 7.4% Total Allocation USD: 1,7 b	Portfolio Allocation > 75m < 400m USD % of Global DB: 16.7% Total allocation USD: 3,8b	H.I. or allocation > 400m USD % of Global DB: 75.9% Total allocation USD: 9,1b
<b>Challenging Operating Environment:</b> → Special flexibilities are made available to CT (risk tolerance, implementing partners, assurance providers, short term planning)		
<b>Transition:</b> → Transition policy is applied (transition readiness assessment, transition plan)		

# Grant Management Portfolio Categorization

Focused: 87 portfolios	Core: 30 portfolios	High Impact: 25 portfolios
<ul style="list-style-type: none"> <li>Albania</li> <li>Algeria</li> <li>Armenia</li> <li>Azerbaijan</li> <li>Belarus</li> <li>Belize</li> <li>Bhutan</li> <li>Bolivia</li> <li>Botswana</li> <li>Bosnia and Herzegovina</li> <li>Bulgaria</li> <li>Cape Verde</li> <li>Colombia</li> <li>Comoros</li> <li>Costa Rica</li> <li>Cuba</li> <li>Djibouti</li> <li>Dominican Republic</li> <li>Ecuador</li> <li>Egypt</li> <li>El Salvador</li> <li>Fiji</li> <li>Gabon</li> <li>Gambia</li> <li>Georgia</li> <li>Guyana</li> <li>Honduras</li> <li>Iran</li> <li>Jamaica</li> <li>Jordan</li> <li>Kazakhstan</li> <li>Korea, DPR</li> <li>Kosovo</li> <li>Kyrgyzstan</li> <li>Lao PDR</li> <li>Macedonia (FYR)</li> <li>Malaysia</li> <li>Mauritania</li> <li>Mauritius</li> <li>Moldova</li> <li>Mongolia</li> <li>Morocco</li> <li>Nicaragua</li> <li>Panama</li> <li>Paraguay</li> <li>Peru</li> <li>Romania</li> <li>Russian Federation</li> <li>Sao Tome and Principe</li> <li>Serbia</li> <li>Solomon Islands</li> <li>Sri Lanka</li> <li>Suriname</li> <li>Tajikistan</li> <li>Timor-Leste</li> <li>Tunisia</li> <li>Turkmenistan</li> <li>Uzbekistan</li> <li>Multi/Regional</li> <li>MAR-H-SISCA</li> <li>MAT-011-G01-H</li> <li>MEA-011-G01-H</li> <li>MEI-011-G01-H</li> <li>MMM-011-G01-H</li> <li>MSA-910-G02-H</li> <li>QMG-M-PSI</li> <li>QMJ-C-UNDP</li> <li>QMJ-M-UNDP</li> <li>QMT-H-EHRN</li> <li>QMZ-H-ECUO</li> <li>QMZ-T-PAS</li> <li>QPA-H-ANECCA</li> <li>QPA-H-HIVOS</li> <li>QPA-H-SADC</li> <li>QPA-H-UNDP</li> <li>QPA-M-E8S</li> <li>QPA-T-ECSA</li> <li>QPA-T-WHC</li> <li>QPB-H-KANCO</li> <li>QPF-H-ALCO</li> <li>QRA-H-HIVOS</li> <li>QRA-H-IOM</li> <li>QSA-H-APN+</li> <li>QSF-T-IOM</li> </ul>	<ul style="list-style-type: none"> <li>Angola</li> <li>Benin</li> <li>Burkina Faso</li> <li>Cameroon</li> <li>Congo</li> <li>Guatemala</li> <li>Lesotho</li> <li>Madagascar</li> <li>Namibia</li> <li>Nepal</li> <li>Papua New Guinea</li> <li>Rwanda</li> <li>Senegal</li> <li>Swaziland</li> <li>Togo</li> </ul>	<ul style="list-style-type: none"> <li>Bangladesh</li> <li>Cambodia</li> <li>Côte d'Ivoire</li> <li>Ethiopia</li> <li>Ghana</li> <li>India</li> <li>Indonesia</li> <li>Malawi</li> <li>Mozambique</li> <li>Myanmar</li> <li>Philippines</li> <li>South Africa</li> <li>Tanzania</li> <li>Thailand</li> <li>Uganda</li> <li>Viet Nam</li> <li>Zambia</li> <li>Zanzibar</li> <li>Zimbabwe</li> <li>(RAI)</li> </ul>
<ul style="list-style-type: none"> <li>Iraq</li> <li>Palestine</li> <li>Syrian Arab Republic</li> <li>Yemen</li> </ul> <p>Middle East Initiative</p> <p>Challenging Operating Environment</p>	<ul style="list-style-type: none"> <li>Afghanistan</li> <li>Burundi</li> <li>Central African Republic</li> <li>Chad</li> <li>Eritrea</li> <li>Guinea</li> <li>Guinea-Bissau</li> <li>Haiti</li> <li>Liberia</li> <li>Mali</li> <li>Niger</li> <li>Sierra Leone</li> <li>Somalia</li> <li>South Sudan</li> <li>Ukraine</li> </ul>	<ul style="list-style-type: none"> <li>Congo, DR</li> <li>Kenya</li> <li>Nigeria</li> <li>Pakistan</li> <li>Sudan</li> </ul>



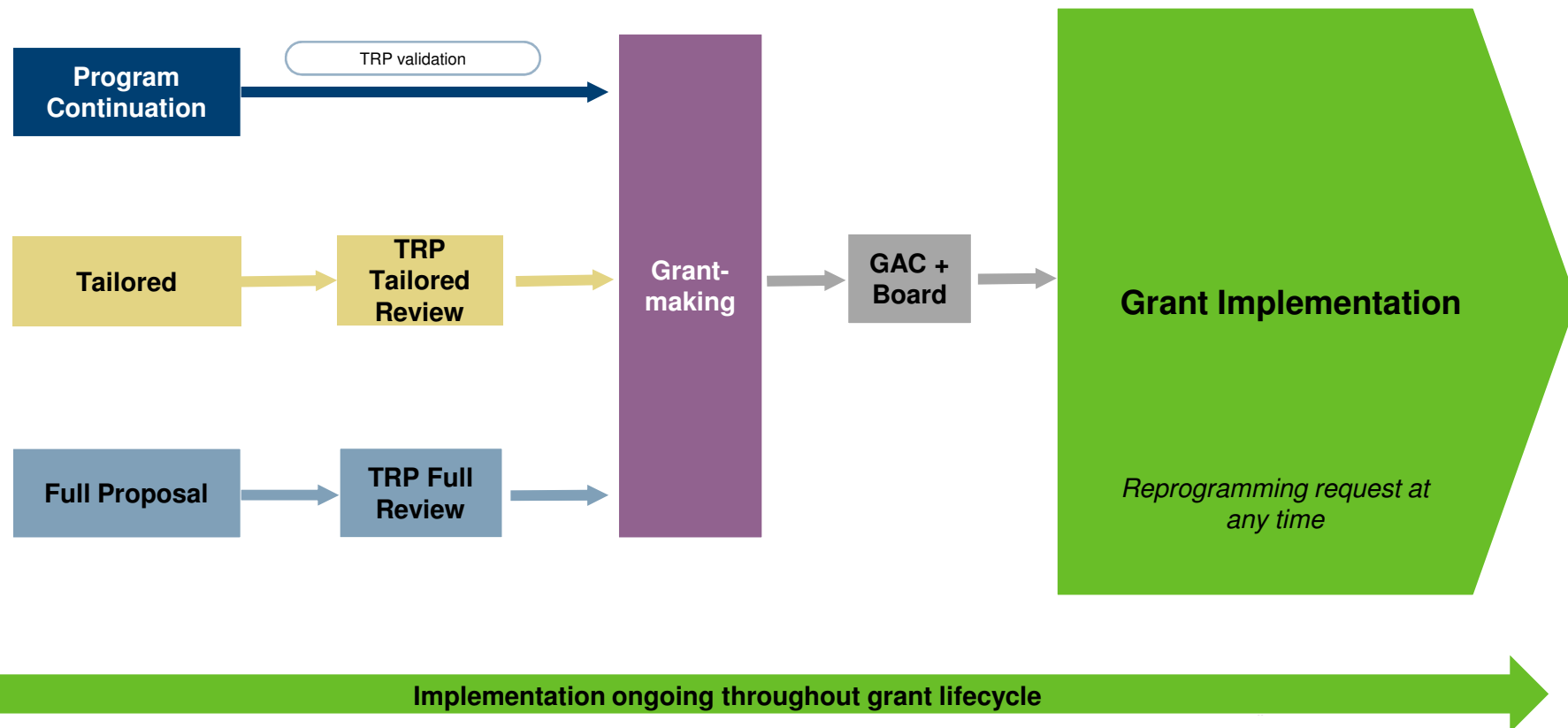
Less time applying, more time implementing

**‘Differentiated’ application materials** and **review approaches**  
tailored to the needs of applicants

Funding requests are **‘right-sized’** to the needs and context of a country

Differentiated approaches enable quality funding requests to be **developed more efficiently**, so greater time can be spent implementing grants.

## Differentiated application and review process: 3 approaches



## Program Continuation

- Focused and Core components with less than 2 years of implementation (High Impact considered on case-by-case basis); or
- Focused and Core components with demonstrated performance and no material change needed (High Impact considered on case-by-case basis)

*Program continuation components may reprogram at any time during grant-making or implementation. OPN on reprogramming will apply.*

## Tailored Review

- a. Components requiring **material change** in defined programmatic area(s)
- b. Components receiving **Transition Funding** or otherwise using a transition work plan as basis for their funding request
- c. **Challenging operating environments** (COE) components with material change
- d. Learning opportunities (e.g. national strategy pilot, results-based financing, etc.)

## Full Review

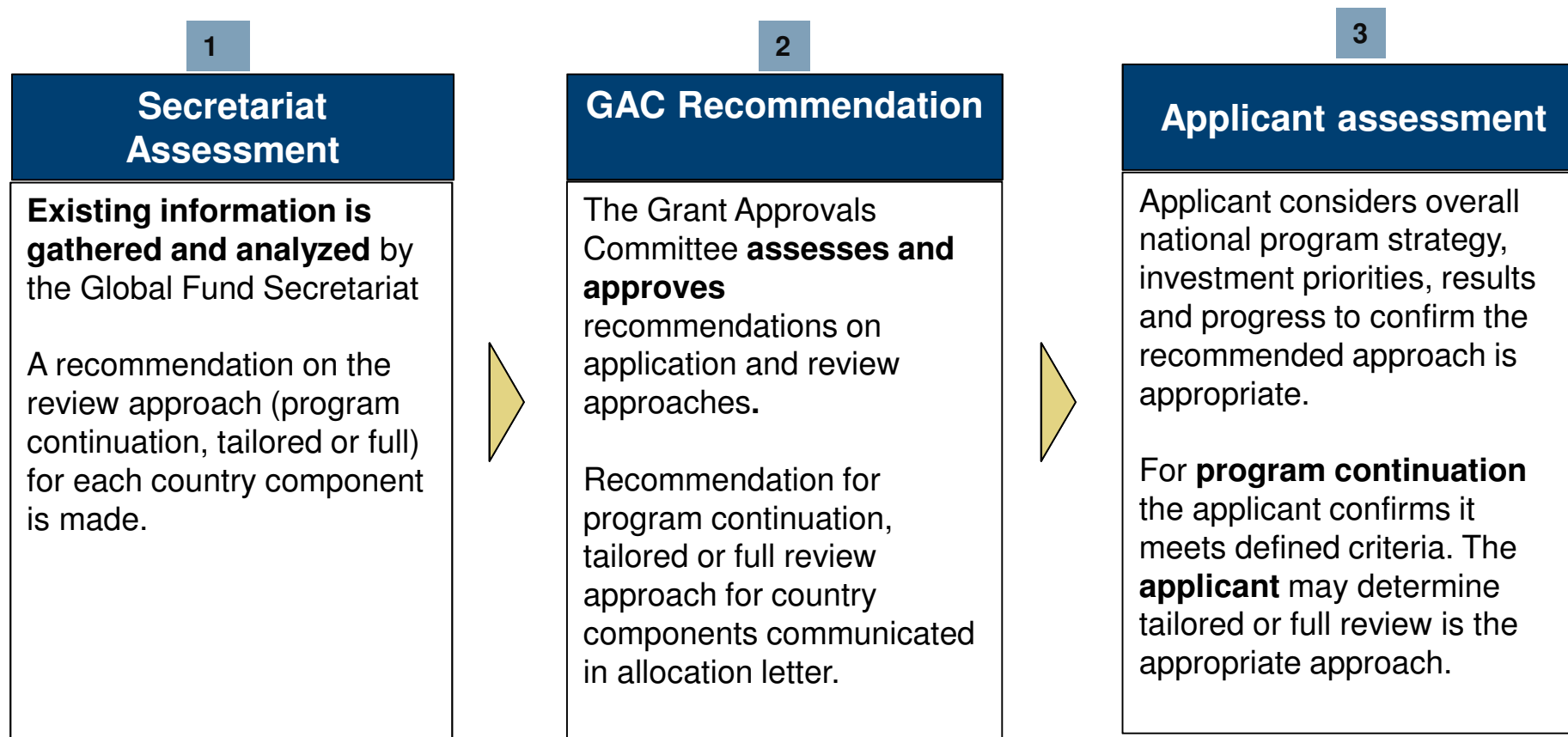
- High Impact components; or
- Focused and Core components referred to full review; or
- Components not reviewed by the TRP in the previous allocation period

		Concept note (Old)	Full review	Material change <i>Focused on changes</i>	COEs	Transition	National Strategy Pilot	Program continuation
Max. # of pages per component		30	20	10	15	15	10	5
Section 1	Context	Narrative	Available documentation (table)	Triggers for reprogramming & narrative	Available documentation + SAP-based COE specific (table)	Transition Readiness Assessment (or equivalent)	NSP main read: table with referenced sections	
Section 2	Funding request	Section 3	Disease-specific & RSSH split	Based on SAP funding request	COE specific (chronic or acute instability)	Tailored & link to work-plan		
Section 3.1	Implementation arrangements	Section 4	Optional simplified narrative if no changes (Y/N)	Only updated in case of changes (Y/N)	Table+brief narrative	Tailored to transition	Only updated in case of changes (Y/N)	
Section 3.2	Risk & mitigation measures	Section 4	No narrative (table with recap of risks)					
Section 4	Funding landscape Co-financing & sustainability	Section 2	Y/N answers with shorter narrative (TBC)		Narrative	Tailored to transition	Y/N answers with shorter narrative TBC	
Section 5	PAAR	Section 3	PAAR table + narrative for catalytic investment if eligible					
	Attachments	Modular template	Gap tables, Summary Budget, Performance Framework					

● Simplified

● Tailored

## How application and review approach is determined



# Assessment of material change for program continuation

Relevance of strategic focus, technical soundness and potential for impact

## Secretariat Assessment

- Changes to allocation and funding landscape
- Results and performance
- Risk considerations
- Progress towards Technical Review Panel, Grant Approvals Committee and Board recommendations
- Progress towards sustainability, transition and co-financing

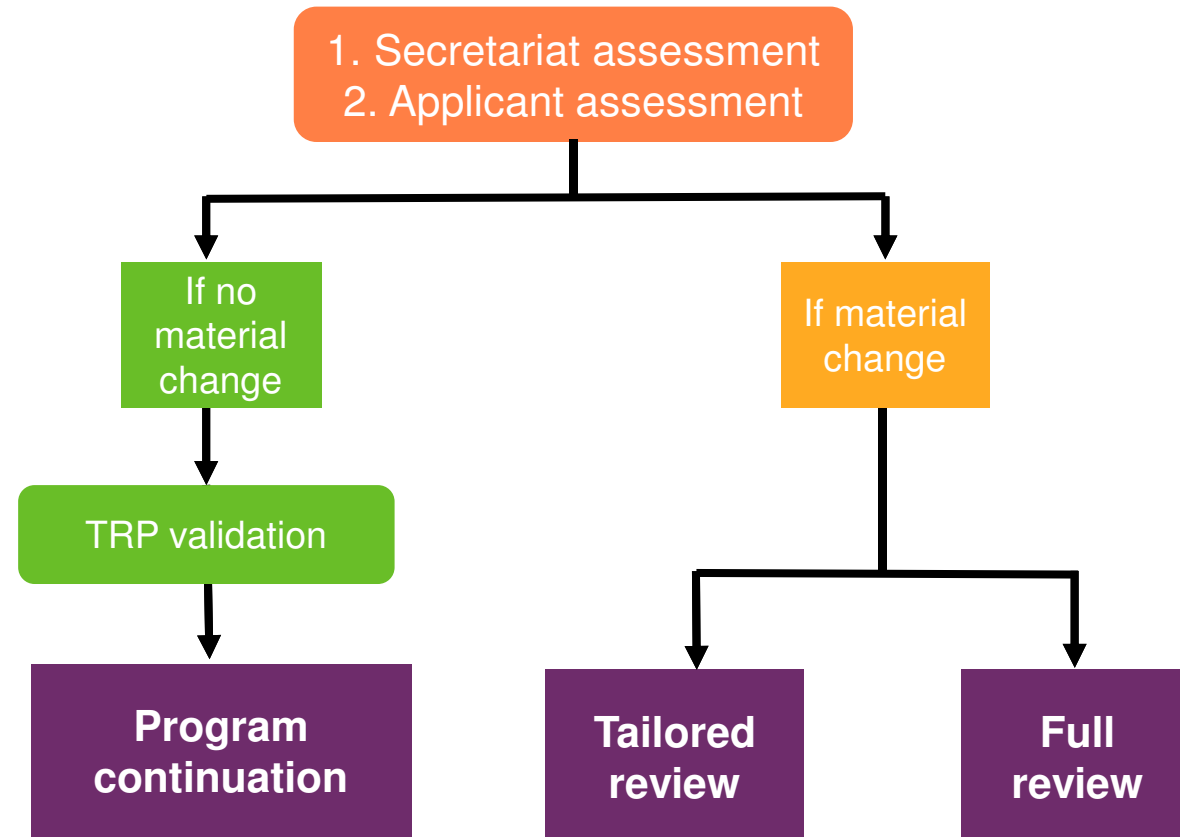
GAC decision

## Applicant Assessment

- Epidemiological contextual updates
- National Strategic Plan revisions and updates
- Investing to maximize impact towards ending the epidemics
- Effectiveness of implementation approaches
- Funding landscape and progress towards sustainability, transition and co-financing
- Ensuring resilient and sustainable systems for health and human rights and gender

Program continuation request

## Material change triggers for program continuation



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## Transition Tailored Review Approach

### **Mandatory for 17 Disease Components.**

**Approach:** Disease components receiving their last allocation (transition funding) + those projected to transition to high income in this allocation period will apply through the Tailored Transition Review.



## Transition Tailored Review Applications

### Background

- First step - Transition Readiness Assessment (or equivalent), plus Transition Strategy and NSP
- Second step – Transition Work Plan that outlines the transition process and activities at the country level

### Funding request based on specific Transition Work Plan

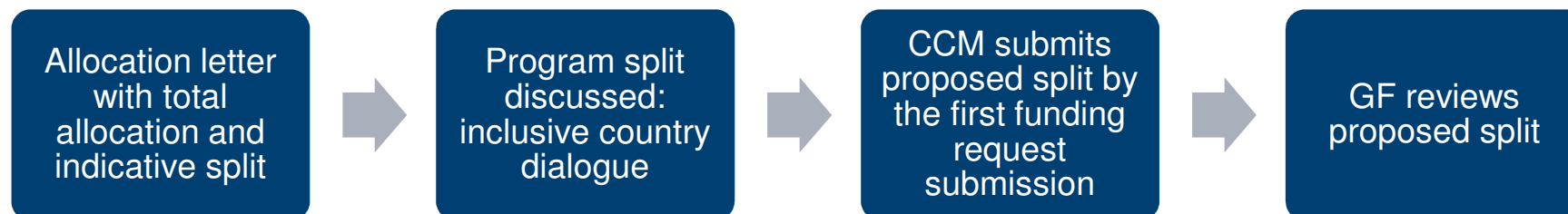
- Specific considerations related to how country will transition remaining service provision to government during the life of the grant
- Funding must be for priority transition needs and specific investments expected in transition and sustainability bottlenecks (social contracting, legal barriers, health systems challenges that affect transition and/or sustainability) and key and vulnerable populations (with a focus on sustaining those programs beyond transition)

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## Practical advice

## Program split: What is the process?

The Global Fund communicates one allocation amount with an indicative split.  
CCMs decide the best split across eligible diseases and RSSH



- Applicants must use a documented and inclusive process to confirm or revise the program split.
- Resilient and sustainable systems for health only reflected in program split if stand-alone RSSH funding request is planned.

## Joint applications: TB/HIV

### Why important?

- ✓ To stimulate a country-led dialogue and related decision making among TB and HIV programs and stakeholders
- ✓ Encourages investments that tackle the 2 diseases in a more strategic way, calling for more effective joint approaches
- ✓ Results in identification of opportunities and synergies that exist in TB and HIV programs and the underlying health and community systems and other cross-cutting areas
- ✓ Joint programming – beyond the application stage – maximizes the impact of the Global Fund investment

★ Required for countries with high co-infection rate (28 are eligible for GF financing)

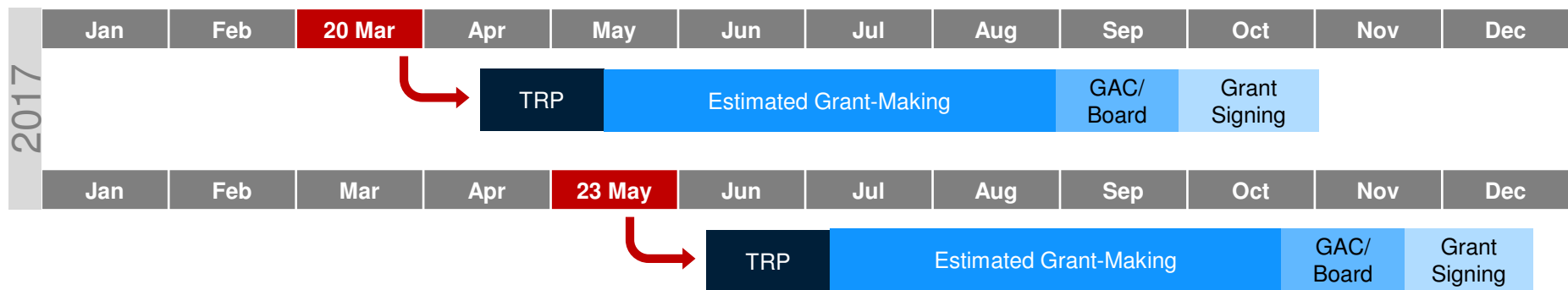
★ Also encouraged for countries that submitted a joint application in the last funding cycle

## 2017 submission windows

3 submission windows scheduled: March, May, Aug

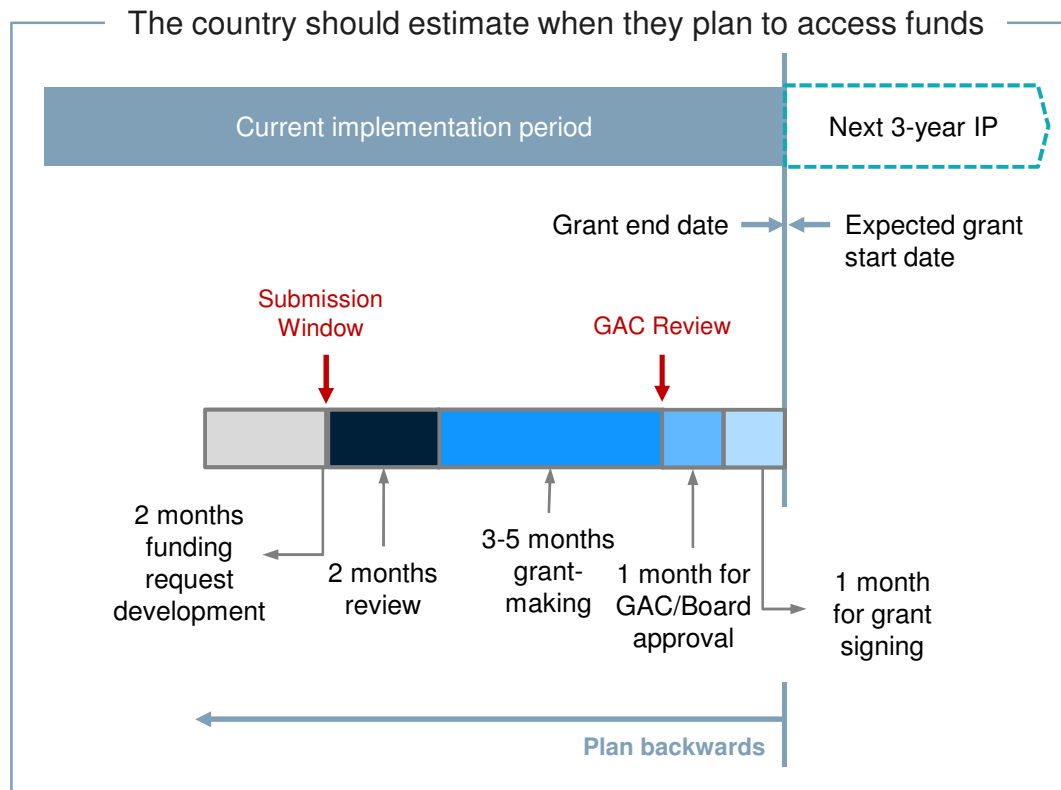


## Timing implications for grant-making and grant signing



**Consider:** How long was needed for grant-making and signing last time

# Planning backwards



**Remember:** Any extension of an existing grant will reduce the next implementation period by the same amount (funding & time)

## Practical advice

Communication with applicants should be focused on the relevant application stream(s).  
This will be communicated in the allocation letters.

### Plan

CCMs will need to discuss and agree submission dates for funding request

### Engage

Support CCM on program split discussions

Support CCM to ensure inclusivity and transparency of funding request preparation

### Focus

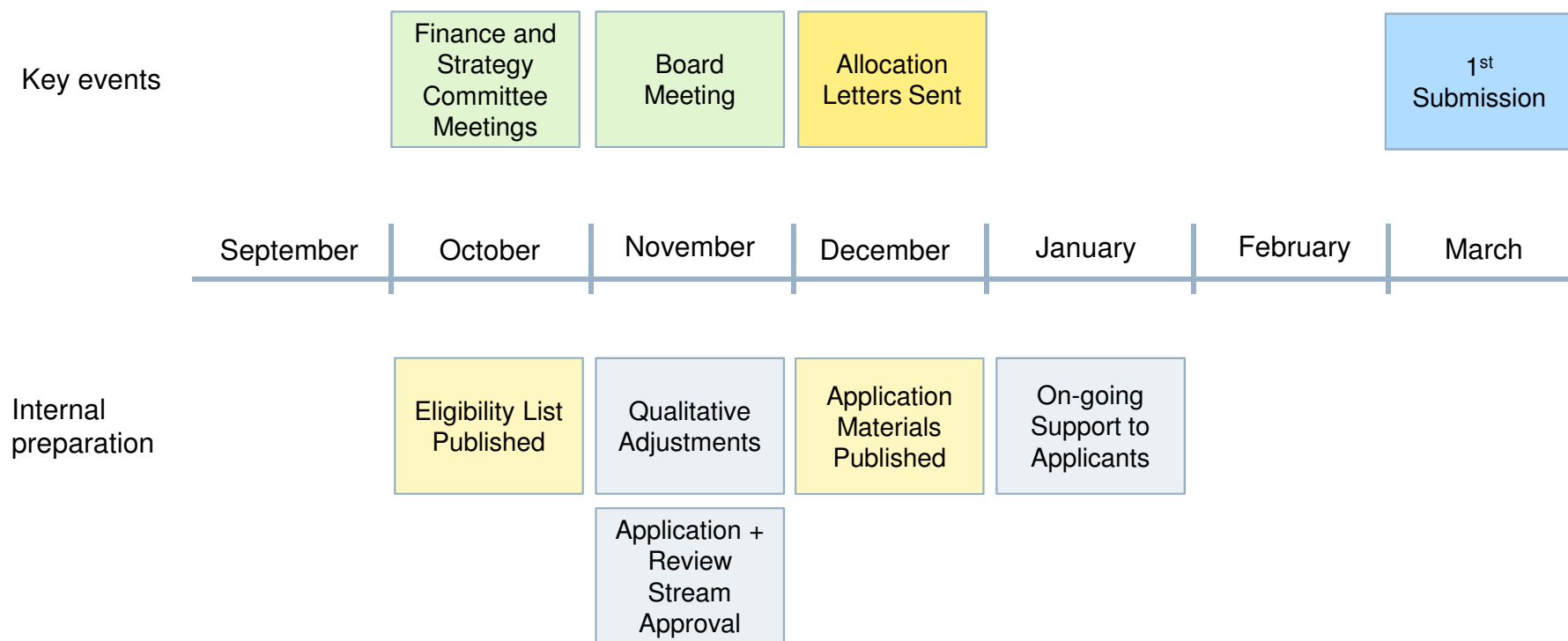
Keep the attention on implementation; the funding request process should not divert focus from on-going program management.



## Access to Funding Communication toolbox

- 2017 Eligibility List + Transition projections – published October
- Access to Funding and Grant-making Operational Policy Note – published October
- TORs and membership of TRP – published November
- Application materials – published December
- Information Notes – published December
- Allocation letters – sent December
- FAQ updates published as monthly digest: mid-Sept, mid-Oct, mid-Nov, mid-Dec
- New e-learning courses on: differentiated application process, sustainable transition, human rights, key populations - January
- Applicant Guide using best practice examples - January

## Timeline: coming up next



## Webinars: Upcoming sessions for GF partners

- Each topic offered twice on the same day to allow for different time zones

Draft schedule	
20 October	Differentiated application process: overview to funding cycle
3 November	Updated CCM eligibility and country dialogue guidance
10 November	Sustainable transition – funding application expectations for transition applicants
18 November	Human rights and gender equality in funding requests
24 November	Resilient and sustainable systems for health in funding requests
1 December	Challenging operating environments applicants
8 December	Allocation key messages and catalytic investments operationalization
14 December	Application materials and resources
January	Multi-country (Regionals)
January	TRP review approach and review criteria
January	Co-financing

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# Questions?

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# Back-up

## Catalytic Investments

Applicants can apply for catalytic investments that include:



### Matching funds

A matching pool available to select countries at the time of allocation to incentivize funding requests that include key strategic priorities.

### Multi-country (regionals)

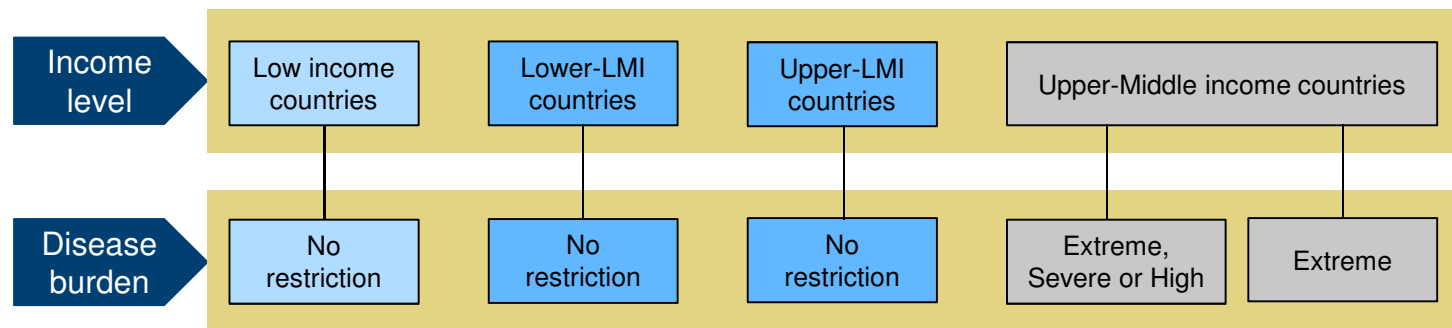
Funds are for a number of select cross-border initiatives, which are critical for the global response against HIV, TB and malaria.

### Strategic initiatives

Strategic areas not able to be addressed through country allocations, e.g. Emergency Fund, funding to strengthen community & CS engagement, etc.

## Eligibility for funding

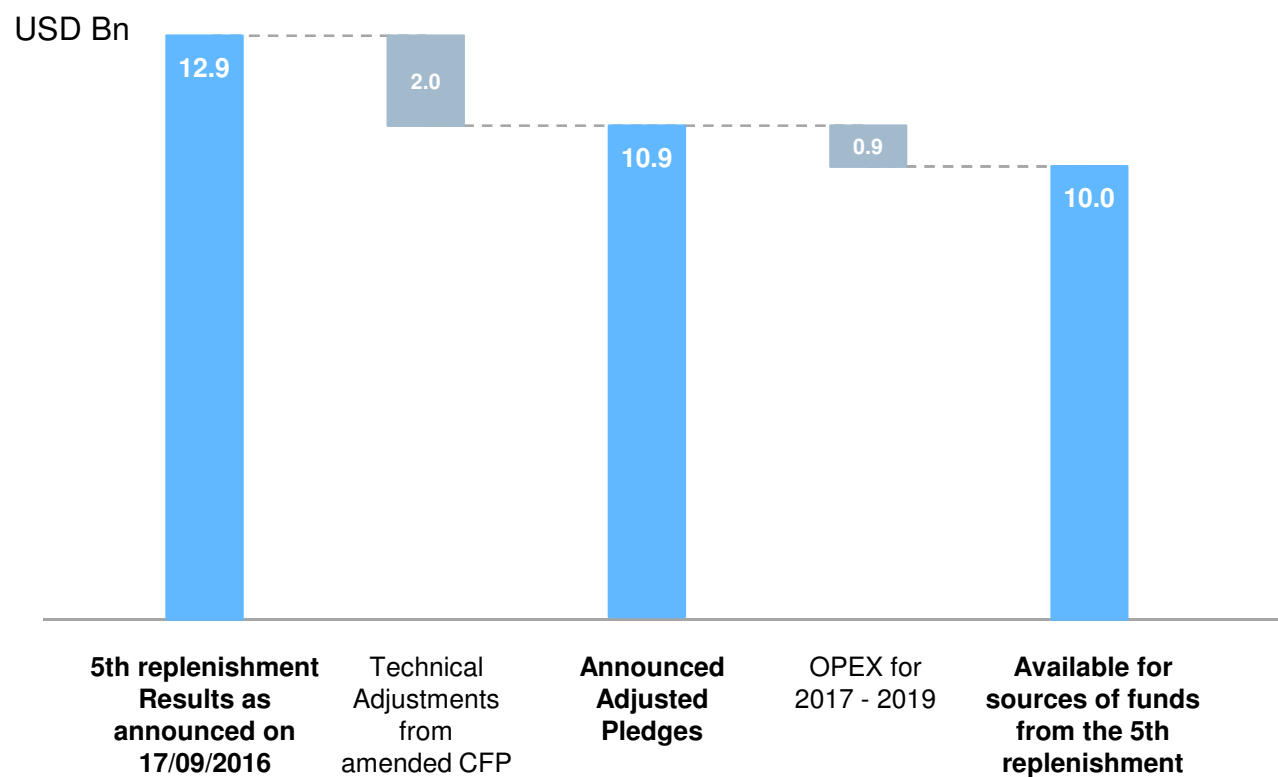
- Eligibility is determined by a country's income level and disease burden
- The Global Fund Eligibility List identifies country components eligible to receive an allocation, however this does not mean an allocation will be automatically awarded



### Not eligible:

- Upper-Middle income countries with low/moderate disease burden
- G-20 Upper-Middle income countries with less than extreme disease burden
- High income countries.

## Fifth replenishment estimates



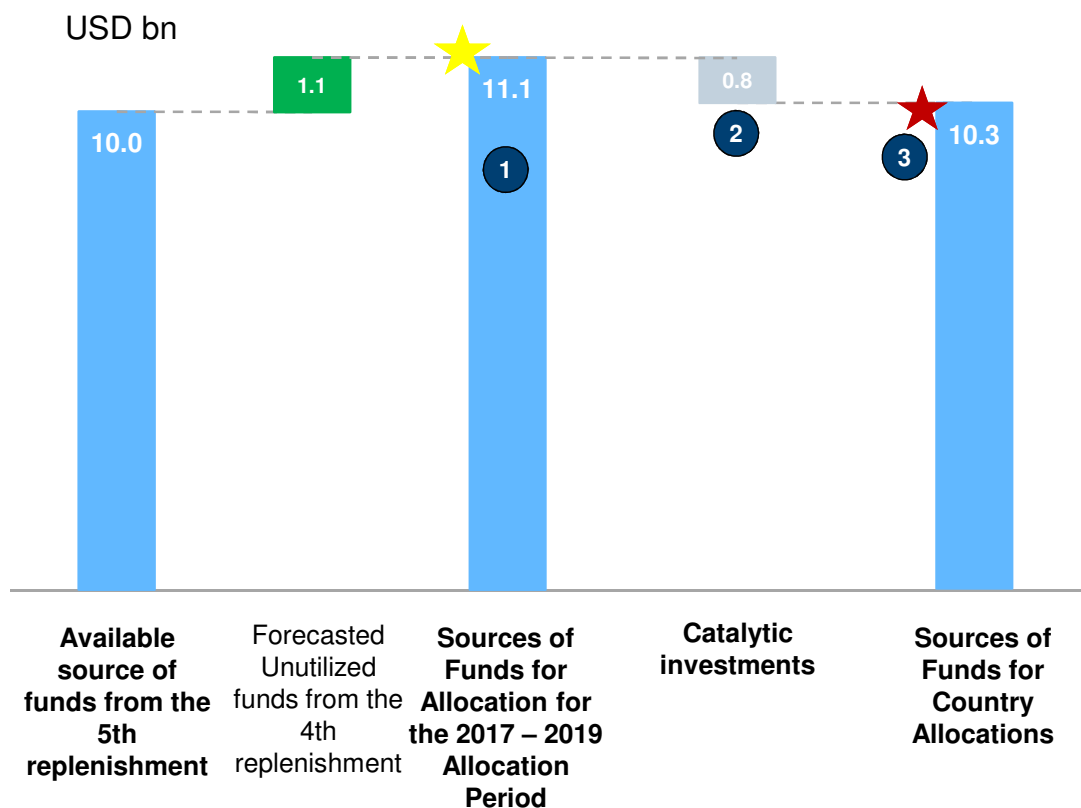


# Recommendation on Source of Funds for Allocation for the 2017 – 2019 Allocation Period

## Legend

★ = AFC recommendation

★ = SC recommendation



## RATIONALE

- 1 Sources of Funds for Allocation for 2017 – 2019 allocation period recommended at \$11.1B**
- 2 Catalytic investments recommended at full \$0.8B**
- 3 Sources of Funds for Country Allocations are the outstanding funds after subtractions of catalytic investments, recommended at \$10.3B**

## Differentiation principles for accessing funding

### 1. Differentiated level of independent review

The Technical Review Panel will continue to be engaged in [independent assessment](#) for all funding requests, but with [high degree of differentiation](#) in the scope and depth of the process.

### 2. Country ownership

The access to funding process will continue to build on [national systems and strategies](#), mechanisms for co-financing (co-financing incentive) and engagement with in-country stakeholders, including key and vulnerable populations, communities and civil society.

### 3. Tailored process for application and review of funding requests

The basis, scope and nature of the access to funding process and review of funding requests will:

- (i) be evidence informed, building on the challenges, results and impact of previous implementation periods.
- (ii) be tailored to the different contexts, including epidemiology, challenging operating environments, transition stage, multi-country approaches and fiduciary and programmatic risk,
- (iii) take into consideration material change.

#### 4. Simplification and focus on implementation

There will be a rebalancing of time spent on funding application development towards program implementation.

The access to funding process will facilitate the effective investment and use of Global Fund resources to achieve the highest impact.

#### 5. Focused and timely reprogramming for greater impact

Access to funding processes and reviews will encourage and facilitate reprogramming at any time during the grant life cycle for greater impact, and not only during the application process.

#### 6. Streamline and focus on key information for decision making

Documentation requirements should be tailored to obtain **essential information needed** to facilitate effective review and decision-making, building on existing national and portfolio information.

## Key principles of the allocation based funding model retained

### Principles of the funding model

- **Impact:** focus on countries with the highest disease burden and lowest ability to pay, while retaining global portfolio
- **Predictable:** process and financing levels are predictable with an allocation, with high success rate of applications
- **Ambitious:** countries prioritize above allocation interventions to integrate into grants when additional internal or external sources of funding are identified
- **Flexible:** in line with country schedules, context, and priorities
- **Streamlined:** to meet the needs of different country contexts