

Talking Points for the Global Fund's New Funding Model

Background Note for Board Constituencies

The new approach to funding grants adopted by the Global Fund Board at its Twenty-Seventh Board Meeting will enable the organization to invest resources more strategically and for greater impact.

Here are talking points, intended to assist Board Members and constituencies explain aspects of the new funding model to all concerned.

The new funding model:

- Will significantly improve grant-making, with a process that is more predictable and more flexible.
- Makes the Global Fund's investments more effective by moving away from a "one-size fits all" to grant making, toward a more tailored approach.
- Allows more proactive dialogue with applicants, so resources are more consistently targeted to the right interventions in the right country contexts.
- Makes applying simpler, with quicker feedback and on-going dialogue.
- Encourages the full expression of quality demand from applicants, giving everyone a clearer picture of what funding is necessary, from the Global Fund and other sources, to take care of those in need.
- Responds to the needs of implementers and beneficiaries on the ground.
- Reassures donors and their taxpayers that our investments will produce increased value for money.
- Enhances the Global Fund's partnership model through increased in-country collaboration and engagement.
- Establishes groups of countries, and provides funding to each group.
- Within each group, funding is apportioned in two ways: 1) Through a specific funding range for each country, devised by a formula based on disease burden, ability to pay and other factors; and 2) Through funding specifically intended to incentivize ambitious investment cases from applicants.
- Access to funding will begin with a country dialogue, informed by national strategies whenever possible.

- Dialogue will inform a Concept Note, centered on prioritized funding needs.
- There will be an independent Technical Review of every Concept Note.
- When finalized, the Board will approve the proposed grant amounts, and the grant will be ready to fund.
- In the new funding model, Country Coordinating Mechanisms continue as the primary entity responsible for submitting applications and overseeing grants, as well as engaging with all stakeholders, including civil society.
- Any proposals recommended by the independent technical experts that cannot be supported right away will be set aside to await new funding, as it becomes available, from the Global Fund or other sources.
- Several aspects of the new funding model require further preparation.
- The Global Fund's Secretariat and the Strategy, Investment and Impact Committee will work towards developing the details of the funding model, including the country bands and the formula for allocating funds, for approval at the next Global Fund Board meeting in November 2012.

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