



Funding model features

Key Features of the Global Fund Funding Model

The Global Fund to fight AIDS, TB, and Malaria is the largest financing institution for HIV, TB, and malaria programmes worldwide. It is projected that by the end of 2016, 22 million lives will have been saved as a result of Global Fund's support for interventions that scale up the prevention of new HIV, TB, and malaria infections and through effective diagnosis and treatment of people infected with the diseases.

Here are some important features of the Funding Model that civil society, communities, and key populations should always remember:

- 1 **It is allocation-based:** The Global Fund allocates funding to eligible countries for a specific three-year timeframe (also called "Allocation Period"). Allocations are determined for each disease component to which a country is eligible. Applicants can access allocations at any time within the 3-year period. While it recommends overall how much money should go to each of the disease components, the disease split decision (i.e., how much funding will be allocated for TB, HIV, malaria, or for resilient and sustainable systems for health, depending on the country's eligibility) rests on the country.

Community guide:

- The 3-year allocation approach aims to ensure that funding from the Global Fund aligns with implementation timelines of country disease strategies. This means that engaging in national strategic plan processes is critical.
- The system also widens the space for country conversations on domestic resources for disease programmes. Country allocations are premised not only on the country's economic capacity, but also on its commitment to expand its own spending for health and/or its disease programmes.

- 2 **It follows an investment approach to fund disease programmes:** This puts emphasis on the soundness of disease strategies and interventions to guarantee that resources put into disease programmes yield maximum impact. Funding requests need to demonstrate allocative efficiency and prove that resources are directed to the right interventions for the right populations as well as being rationally allocated across disease components. It prioritizes eligibility for funding and allocation based on economic capacity, disease burden and a focus on key populations.

Community guide:

- Allocative efficiency presents opportunities to ensure that disease programmes are reaching key populations. This also means that critical enablers such as human rights and gender equality should be integral to disease programming to ensure the inclusion of key populations.



- 3 **Global Fund financing is performance-based:** Even after the grant has been approved and during the grant implementation period, Global Fund financing is dependent on the applicant's performance. The release of the funds and the level of funding during the implementation period is based on the efficiency and effectiveness of the implementers in utilizing the funds allocated and in achieving the targets that have been set.

Community guide:

- A performance-based system requires an efficient and comprehensive planning process. Underspending and overspending are considered in assessing programme effectiveness. While there are flexibilities for reprogramming, strong evidence is required to justify any changes to the programs.
- Programme indicators and targets need to be carefully considered since they are how programmes measure success. Indicators should be defined based on the nature of the interventions, therefore, service delivery activities or human rights and gender equality programmes will necessarily have different types of indicators.

- 4 **The Funding Model uses an iterative and streamlined process:** The Funding Model is framed around country processes for national strategies and focuses on programme implementation. A funding request is projected to take 6 to 9 months to allow country stakeholders to focus more on implementation. Funding requests need to be based on designs informed by continuing and regular country dialogues - a broad consultative mechanism that aims to gather different government and non-government stakeholders - and evaluation of current programme activities. Country stakeholders can adjust programmes according to what works and what is effective.

Following this iterative process, the Funding Model itself is evolving and learning through lessons from the implementation of the model. For instance, one important change in the design is that previously, the Funding Model followed one application approach for all funding requests. For the next allocation period, it will now follow differentiated approaches for applications and technical review to reflect country contexts allowing countries to focus more on the implementation.

Community guide:

- Civil society, communities, and key populations can contribute to improving the process by preparing for how they will engage, how they can mobilize early on, how to document critical outcomes and results, how to provide strong evidence, and most importantly, how to provide guidance to other stakeholders.
- In this iterative process, spaces for continuing engagements for civil society, communities, and key populations are essential and critical. Through careful and strategic planning, these mechanisms can provide lessons that can help improve meaningful community engagements at local and national levels.

- 5 **It is designed for collaboration between different stakeholders:** In the funding model, the Country Coordinating Mechanism (or CCM), an in-country multi-sectoral body



recognized by the Global Fund, takes the lead in developing funding requests, engaging the principal recipient, and overseeing grant implementation. The Funding Model relies on the CCM as the main country governance structure.

Community guide:

- CCM eligibility to receive support from Global Fund is based on its fulfillment of several requirements, among them the organization of inclusive and ongoing country consultations and representation by civil society, communities, and key populations in the membership of CCM.
- Representation for key and affected populations and people living with the diseases is not on an individual basis, but organizational. Civil society and community representatives are expected to consult their respective constituencies.
- Disease programmes, government agencies like the ministry of health, and technical partners often participate in CCM meetings and other activities. This presents an entry point to engage them on country disease programmes, whether these programmes are funded by the Global Fund or not.

- 6 It follows ‘differentiated’ approaches:** The Global Fund recognizes that development occurs “in different ways and at different speeds” in each country due to many factors. This means that for Global Fund strategies to succeed, it must differentiate its mechanisms according to the country contexts and investment priorities.

Differentiation is applied across different aspects of the funding model. Eligible countries are categorized as “focused”, “core”, or “high impact” based on levels of investment and risks, * and this will help determine the application and review processes that a country’s funding requests will undergo. The funding model also now has different approaches to funding application and review: “programme continuation”, which covers country components with no material change to their programmes and can therefore request for continued funding with few distractions from the application process; “tailored application and review”, which looks into specific country contexts, such as challenging operating environments, innovative financing, or countries transitioning out of Global Fund support, etc.; and “full proposal and review”, which entails a comprehensive review of the programmes and strategies laid out in the funding request. The application materials to be used will depend on the approach.

Differentiation also concerns how CCM eligibility will be assessed during the funding request submission, which covers two of the requirements: the conduct of participatory process for the funding request development and the transparent selection process for principal recipients. A “standard review” means the submission of eligibility narrative and supporting documentation of compliance to these requirements. For “light (or “superlight”) review”, CCMs can submit a statement of compliance to the requirements, instead of the full eligibility narrative and supporting documents. The use of these approaches will be determined, among others, by the results of the annual eligibility and performance evaluation of the CCM, the performance of the principal recipients, or by which application



approach that the country component will use.

Community guide:

- Differentiation does not fundamentally alter the spaces for engagements for civil society, communities and key populations. It is, however, critical to know which application and review approach the country component will undertake, and which eligibility review approach (standard or light) is recommended for your CCM.
- Differentiation recognizes that countries have different contexts. These different approaches, however, mean that engagements in the process need to include a variety of stakeholders. For instance, countries under the transition approach have to engage stakeholders that can ensure that the various transition plans are implemented.
- Support and clarification about the approaches can be sought from country teams or from regional CRG platforms.

- 7 **It incorporates sustainability in its design:** Sustainability is considered as a critical outcome for Global Fund financing. Therefore, regardless of economic capacity or disease burden, Global Fund-eligible countries must factor in sustainability in their funding requests, and CCMs are encouraged to have conversations on how to increase domestic funding for their disease programmes and how they can prepare to transition out of donor support. Low income countries with high disease burden need to invest in making their health systems resilient and sustainable. Middle income countries, regardless of disease burden, have to consider progressive absorption of programme components that are recurrent, such as human resource needs, procurement of essential medicines, and interventions to remove barriers in relation to human rights and gender equality.

Community guide:

- Sustainability, transition, and co-financing requirements provide opportunities to influence non-Global Fund supported country programmes and processes to guarantee that they are also responsive to the needs of key populations and communities.
- Under the current Global Fund strategy, transitioning out of Global Fund support will take a staggered process and will not happen overnight. Issues around sustainability, such as guaranteeing that key population-focused programmes are not abandoned by countries once they transition out of the Global Fund, need to be integrated into current funding request processes and country dialogues.

“Focused countries” are those with allocations that are less than \$75 million and lower disease burdens, “core countries” with allocations that are above \$75 million but less than \$400 million and with higher disease burden, while “High impact” countries have allocations above \$400 million and with critical disease burdens.