Update on Country Funding and Catalytic Investments

GF/B49/07

49th Board Meeting
10-11 May 2023, Ha Noi, Viet Nam
Update on Country Funding

• The Secretariat prepares a regular update on country funding for each Strategy Committee and Board meeting. It includes an overview on the progress of the funding request and grant approval process, and tracks the conversion of country allocations into signed grants.

• Since the last Board meeting, allocation letters have been sent to applicants, and the Secretariat and the broader partnership have been actively engaged in supporting country dialogue, in preparation for Grant Cycle 7. The expectations related to the new Strategy have been embedded in the trainings, webinars, e-learnings and applicant guidance material made available from July 2022 onwards.

• The Strategy Committee expressed appreciation to the Secretariat for preparing and sending the allocation letters before the end of 2022 despite the challenging context, and for all the efforts done to support applicants in the development of high-quality funding requests. SC members highlighted the close engagement with technical partners and appreciated the integration of specific RSSH, human rights, and gender modules in the trainings and webinars conducted, supporting countries to better integrate these topics in Global Fund grants.
2023-2025 Allocation Period Timeline

<table>
<thead>
<tr>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
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- **Application Materials Published**
- **FAQs**
- **Applicant Handbook**
- **Secretariat Trainings**
- **Webinars for Wider Partnership**
- **Support for partner-hosted workshops, meetings, trainings, etc**
- **eLearnings on applicant expectations, forms and annexes**
- **CCM-led Country Dialogue**
- **Allocation letters sent**
- **20 March W1 submission and TRP Review**
- **30 May W2 submission**
## Change Coordination Efforts

### Over 6,800 users and participants to date

<table>
<thead>
<tr>
<th>Change Coordination</th>
<th>Figures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Printed Materials</td>
<td>Applicant Handbook downloaded by over 1,000 unique users</td>
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<tr>
<td></td>
<td>FAQs downloaded by over 600 unique users</td>
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<tr>
<td>Secretariat Trainings</td>
<td>10 Secretariat-wide trainings organized with 1,800 participants over the 10 sessions</td>
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<tr>
<td>Partnership Webinars</td>
<td>11 webinars for wider Partnership with 2,400 participants, with live interpretation and translated slides</td>
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<tr>
<td>Support for Partners</td>
<td>In-person and virtual presentations/Q&amp;As/trainings/workshops with Regions, Constituencies, CTs, Technical Partners etc.</td>
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<tr>
<td>eLearnings</td>
<td>13 eLearnings offered in both English and French on iLearn with over 1,000 learners</td>
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Funding Request Registrations by TRP Window

Approximately 205 Funding Requests are expected in the 2023-2025 allocation period. 136 Funding Requests (66%) have been registered to date. The majority of Funding Requests for this allocation period will go through TRP review in the first half of 2023.

Source: GOS as of 28 March 2023
Allocation Amount by TRP Window

Funding Requests currently registered for review in 2023 amount to US$11.8 billion, 90% of the communicated allocation of US$13.1 billion.

Window 1
March 2023

- HIV/AIDS: 5,039M
- Tuberculosis: 239M
- TB/HIV: 439M
- Malaria: 1,994M
- Multi-Component: 1,155M
- Standalone RSSH: 1,117M

Window 2
May 2023

- TB/HIV: 5,393M
- Malaria: 431M
- Multi-Component: 417M
- Standalone RSSH: 2,594M

Window 3
August 2023

- TB/HIV: 1,351M
- Malaria: 301M
- Multi-Component: 528M
- Standalone RSSH: 691M

Source: GOS as of 28 March 2023. All amounts in US$. Note: The allocation amount reflected is based only on communicated allocation, as program split amounts are not yet recorded in GOS. These amounts will be adjusted as program split changes are confirmed by CCMs and approved by the Secretariat.
2020-2022 Unfunded Quality Demand

The TRP approved US$6 billion in UQD for Grant Cycle 6. US$5.5 billion remains on the UQD Register.

<table>
<thead>
<tr>
<th>Requested PAAR</th>
<th>Approved UQD</th>
<th>UQD Funded: Savings &amp; Efficiencies</th>
<th>UQD Funded: Portfolio Optimization</th>
<th>UQD Funded: D2H or private sector contributions</th>
<th>UQD Funded: Non-GF Sources</th>
<th>Remaining UQD</th>
</tr>
</thead>
<tbody>
<tr>
<td>6,272M</td>
<td>6,030M</td>
<td>325M</td>
<td>141M</td>
<td>14M</td>
<td>4M</td>
<td>5,546M</td>
</tr>
</tbody>
</table>

Source: GOS as of 28 March 2023. All amounts in US$. 
Investment of funds made available by the AFC for Portfolio Optimization in Grant Cycle 6 (as of 28/03/2023)

**2020-2022 Portfolio Optimization**

Investment of Funds:
- In December 2021 the Board approved US$12M of Portfolio Optimization funds to be used to address the health crisis in Venezuela (GF/B46/EDP02).
- The Board approved Portfolio Optimization funds to be used to top up the Emergency Fund on two occasions (1) US$30M in March 2022 (GF/B46/EDP17) and (2) US$40M in October 2022 (GF/B47/EDP17).
- “Available Funds” include funds not yet awarded and funds returned to the PO pool post GAC-award, due to savings and efficiencies identified in the PO grant revisions process.
Update on Catalytic Investments

• The Secretariat prepares semesterly updates* on Catalytic Investment Operationalization for the Strategy Committee and Board. Catalytic Investments are composed of three (3) modalities – Matching Funds, Strategic Initiatives and Catalytic Multicountry Funds. Matching Funds (MF) and Catalytic Multicountry Funds (MC) are also integrated into grant reporting.

• For Strategic Initiatives (SI), SC and Board updates include an overview of portfolio performance with SI level information on financial and programmatic progress to targets. SI by SI implementation plans (including theories of change, objectives and results frameworks) are assessed by the Technical Review Panel (TRP) and approved by the Grants Approval Committee (GAC)**. Similar to grants, regular updates and proposed shifts are also shared with the GAC, as further elaborated on in the Operational Policy Note. More granular updates, including on the design and development of GC 7 SIs, are shared with technical working groups, disease situation rooms, advisory groups and other partnership fora.

• In March 2023, the SC commended the work already undertaken toward the operationalization of CIs. The committee noted the concerns and challenges implied by reduced CI funding in GC7 and acknowledged, per the Comprehensive Funding Policy (CFP), that unused GC 6 CI funding cannot be allocated to CI priorities in GC 7.

• In this context, the committee highlighted the importance of utilizing any projected underspend within the SI portfolio to respond to emerging country demand. The Secretariat committed to meeting this need through the approved tools of revisions within existing SIs to maximize potential; among SIs through reallocation; and, to develop a prioritization framework for SI optimization given the high level of commitments which leave limited flexibility to revise and/or reallocate.

* GF/B47/DP06, see Annex 1 and 2 for details; **Excluding the Emergency Fund which has a differentiated approach
As of Dec 2022, SIs utilized 43% of GAC approved budgets and commitments at over 80% signal increased implementation in final year and limited room for reallocation*

*Financial commitments to technical partners and implementation providers based on agreed upon programmatic plans represent a contractual commitment (these funds cannot easily be reallocated to emerging needs). Disbursements made upon deliverables implemented. **Funding is fully disbursed as part of a broader partnership approach, with expenditures against disbursement reported annually. ***Approved by GAC in 2021 given design and partnership approach – criteria for extensions beyond grant cycle creates a high bar and precludes delays or requested increases in scope, for example. The uncommitted funding is not being reviewed currently for reallocation given the extended implementation period and presents the largest portion of uncommitted and unutilized SI funding planned.
Programmatic progress is strong, averaging 82% this semester, reflecting portfolio acceleration in S4

<table>
<thead>
<tr>
<th>SI</th>
<th>Programmatic Progress</th>
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<tbody>
<tr>
<td>Malaria RTSS</td>
<td>100%</td>
</tr>
<tr>
<td>CE</td>
<td>100%</td>
</tr>
<tr>
<td>Human Right</td>
<td>100%</td>
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<tr>
<td>Condom Prog</td>
<td>98%</td>
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<tr>
<td>LLIN</td>
<td>96%</td>
</tr>
<tr>
<td>PSM Transf</td>
<td>96%</td>
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<tr>
<td>PSM Innov</td>
<td>92%</td>
</tr>
<tr>
<td>CLM*</td>
<td>87%</td>
</tr>
<tr>
<td>Innovative Finance*</td>
<td>84%</td>
</tr>
<tr>
<td>TERG</td>
<td>83%</td>
</tr>
<tr>
<td>Malaria E2025</td>
<td>82%</td>
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<tr>
<td>TPT</td>
<td>80%</td>
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<tr>
<td>S2S*</td>
<td>80%</td>
</tr>
<tr>
<td>CCM</td>
<td>79%</td>
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<tr>
<td>Data</td>
<td>78%</td>
</tr>
<tr>
<td>HIV DSD</td>
<td>78%</td>
</tr>
<tr>
<td>STE</td>
<td>74%</td>
</tr>
<tr>
<td>AGYW*</td>
<td>71%</td>
</tr>
<tr>
<td>TB Missing people*</td>
<td>68%</td>
</tr>
<tr>
<td>Nat Lab</td>
<td>67%</td>
</tr>
<tr>
<td>Malaria RCTA*</td>
<td>64%</td>
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<tr>
<td>HRH*</td>
<td>64%</td>
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<tr>
<td>PSE</td>
<td>61%</td>
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Considerations & insights

- SI programmatic progress is measured **semesterly**, whereas financial performance is **cumulative** (fund utilization & commitments) against GAC approved budgets (approximately 3 years).

- Programmatic results may **not always translate in significant fund utilization** but are important to assessing progress in meeting SI objectives.

- Not all metrics are the same, nor should they be – 42% of metrics reported in S4 are process-focused (vs results) as milestones against the broader objective(s) the SI seeks to catalyze. To differentiate, SIs where more than half of indicators reported against are process focused are marked with *.

Notes: EF has a differentiated structure so is not included. SIs with indicators linked to country’s PF show a negative effect in their overall results, due - partly - to incomplete availability of data by the time of due reporting (e.g., TB Finding People, HIV DSD, TPT, Nat Lab and Malaria RCTA).
With a forecasted underspend, critical to address country demand through SI reallocation with exploration of optimization underway*

- Reallocation analyzes ‘demand’ based on GAC approved criteria including feasibility to implement prior to December 2023, through high performing SIs
- Identification of ‘supply’ focuses on using uncommitted, forecasted underspend* to maximize the intended impact of these funds before Dec 2023
- Extensions face a high bar with GAC given the need to pivot to the GC7 priorities** and associated costs with maintaining overlapping cycles
- Transparency remains central with the GAC and SC*
- In March 2023 (SC_21), SC members recommended exploring SI optimization as an additional tool to maximize catalytic effect of SIs*

Clear parameters to ensure limited use of AUP extensions

SI AUP extensions must meet all below criteria will and be approved by GAC:

- Driven by structural/external dependencies beyond the control of the SI/Global Fund*
- Not to accommodate delayed activities: SI to demonstrate sufficient lead time was considered in activity design and planning.
- Focused on specific, discreet activities that cannot be completed within the standard timeline due to external dependencies
- Used as the last option after considering all other strategies
- Limited to activities that are critical to the overall success of the SI
- Allowed for a maximum period of 1 year

*All reallocations identified are approved by GAC and included in SI reporting to the SC – should the reallocation exceed 10% of any priority, these will come to the SC for approval (GF/B41/DP04). Strategic Initiatives do not have the option to optimize. The SC has indicated interest in exploring SI optimization (SC21, March 2023), thus a framework is under development for SC consideration.**Only the Malaria New Nets Strategic Initiative is approved for an extension through 2024 as it was identified early in the cycle (2021) that the model included sequential, evaluative components that could not be completed within the 3-year implementation period.
In addition to maximizing GC6, incorporating recommendations & feedback for GC7 CI readiness *now*

**Feedback**
from TERG, TRP, SC, partnership fora*

**Incorporated & Completed**
as of April 2023

**Transparency & Performance**

- Develop a CI performance framework reported against regularly, demonstrating learning incorporation & exit strategies

- Performance approach SC endorsed & launched**
- GC6 learnings incorporated into SI design & approval
- CIs (focus on MF measurement) proposed for independent evaluation

**Oversight & Governance**

- Dedicate Secretariat coordination and oversight with right-sized policy learnings from grants

- Catalytic Investment Program Management Office
- Operational Policy Note for SIs posted online
- Preparation of efficient implementation arrangements

**Geographic Prioritization**

- Ensure CI funds leverage fewer, more focused investments with full country-level awareness

- GAC approved geographic prioritization of MFs & SIs***
- Incorporated country-facing SIs into allocation letters

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*Feedback aggregated from Strategy Committee meetings; Board statements, DPs (see Annex 1) & notes; TERG Evaluations of SIs & MCs (2021); TRP lessons learned reports (2020), Joint Working Group presentations & dialogue **July 2022, see Annex 2; ***Catalytic multi-country grants are on a differentiated timeline with the exception of RAI which is also funded through country allocations.*
Next steps on CI operationalization to maximize GC 6 impact and ensure GC 7 implementation readiness

- **Maximize GC 6 SIs**
  - Finalize GC6 SI reallocation to invest in existing and emerging country demand
  - Prioritize catalytic deliverables in the remaining 7 months
  - Share SI optimization framework for SC review in July
  - Prepare for implementation closure & learning of GC 6 SIs (Dec 2023)
  - Maintain transparency with dedicated web pages for each catalytic modality, including guidance/policy notes, FAQs and webinar recordings
  - Refine MC approaches based on stakeholder feedback, evaluation & updated funding amounts
  - Begin review and approval of GC 7 CIs - SI implementation plans, followed by GAC approval; with MFs and MC following standard approach through TRP, GAC and Board
  - Develop and regularly update a geographic map of CIs as they are approved, per commitment on geographic prioritization

- **Launch GC 7 CIs**
Annex 1. Recall the core elements of CI operationalization

As committed during the May Board meeting, per GF/B47/DP06

1. **Performance approach** to monitoring & data use endorsed at July SC

2. **Geographic prioritization** across CIs starting post replenishment

3. **Semi-annual reporting** to the SC and Board on CIs underway
Annex 2. Endorsed CI Performance Approach launched

**Theory of Change** (including exit strategy*)

Developed for *all* priorities (100%) to inform implementation design, modality and geographic prioritization

**Investment Objectives** (3-5 overarching)

Differentiated by modality, sequenced *with* design/approval**

**Performance Targets** (Financial & Programmatic)

Initial planning with new Independent Evaluation Unit

**Independent Evaluation*** (discreet, focused reviews/questions)

Maximize catalytic potential to end HIV, TB & malaria – using the data to drive investment

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*While exit planning is a consistent TOC element, timelines are highly dependent on the specific investment/area. **Differentiated by modality: SIs report semesterly to SC; MCs/MFs integrated into grant reporting (Performance Frameworks) with reporting frequency dependent on portfolio; MFs contribute to grant performance. ***TERG evaluations of SIs and MC in 2021 provided foundational steer with recommendations informing current and future cycles; many SIs include evaluations (mid- and end- term), further evaluation anticipated in 2024 to consider current cycle learnings and prospective recommendations.*
Annex 3. Delays from COVID-19 cascaded into all aspects of delivery, more than any other variable analyzed

Planned → Actual

2020
- Approving (23*) & resources ready
  - Limited Pre-Financing**
  - No implementation (focusing on GC 5)

2021
- Launching with Countries & Partners
  - 27% Fund Utilization
    - Inputs
- Pre-Financing (1%)
  - Re-design for virtual context; deprioritized

2022
- Implementing at scale
  - 37% Fund Utilization
    - Inputs + preliminary outputs & outcomes
- Launching Partnerships + Inputs begin

2023
- Finalizing implementation
  - 36% Fund Utilization Planned
    - Outputs + final outcomes
- Implementing at scale & finalizing
  - 39% Forecasted
    - Outputs + final outcomes

2024
- Analyzing results against objectives
  - Financial closure
    - No implementation*** with focus shifting to GC7

No correlation between the following factors and SI performance:

- Approving the SI in 2020 vs. 2021
- Accessing pre-financing
- Utilizing Technical partner engagement vs. other sourcing
- Implementing new vs continuing/evolved SIs (GC5)
- More outcome-based analysis to follow using final results

*Emergency Fund is not GAC approved; **Per the SI OPN, pre-financing for SIs is limited to $500K on pre-shaping activities or 10% of the total, whichever is less. ***New Nets SI was GAC approved in 2021 to extend through 2024 (see slide 14)