34th Board Meeting
TERG and TRP Update
For Board Information

GF/B34/09
Geneva, Switzerland
16-17 November 2015
Content overview

Objectives

• To provide Board with a joint TERG/TRP reflection on implementation of some specific areas of current strategy

• To provide recommendations for new strategy

Outline

1. Overall strategy direction and strategic objectives

2. Allocation model

3. Application process and use of national strategic plans

4. Differentiation
## Overall strategy direction and strategic objectives

### Good progress of strategy and its implementation
- Critical challenges now in effectiveness of implementation
- *Stay the course, with improved prioritization and focus*

### Funding model is major improvement
- Great improvement over rounds-based system
- Achieved better focus, predictability, inclusiveness, iterative process and prioritization to maximize impact
- *Differentiate / simplify complex Global Fund requirements*

### TERG additional observations and recommendations

- **Strong emphasis on key populations and a rights-based approach**
  - Not yet fully translated into programming within countries
  - Gender analysis in concept notes remains weak
  - Seek proactively opportunities to engage policymakers and practitioners in countries

- **Overall decline in incidence and mortality from 2000 to 2013**
  - Major improvement in data systems, but still weak and limited in most countries
  - Further invest in improving data quality

### TRP additional observations and recommendations

- **Increasingly ambitious targets and scale-up plans likely to save lives and avert new infections**
  - Strengthen implementation plans and sustainability

- **Growing focus on non-discrimination and inclusion of key populations**
  - Reflected in most plans
  - However, activities not always articulated and monitoring plans rarely in place
  - Expand enabling environment advocacy efforts for key populations
  - Ensure equal access by all to health services
 Allocation model

**Allocation model has increased predictability**
- Limitations evident, calling for modifications to formula

**Incentive funding not achieving its intended purpose**

**TERG additional observations and recommendations**

<table>
<thead>
<tr>
<th>Allocation model</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Achieved better targeting to countries where greatest impact possible</td>
</tr>
<tr>
<td>• Operationalize sustainability initiatives</td>
</tr>
<tr>
<td>• Allocate more funds for delivering results, stronger element of absorptive capacity</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Special initiatives/ partnership useful to mobilize technical support for concept note development</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Further reviews needed</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Regional grants</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Governance structures are a challenge; Must add value over and above country grants</td>
</tr>
<tr>
<td>• Further reviews needed</td>
</tr>
</tbody>
</table>

**TRP additional observations and recommendations**

**Room for improvement in allocation model**
- Inequity in countries’ ability to cover priority needs and rapidly scale up within budget
- Some countries receive investments beyond epi needs
- Revisit model to ensure prioritizing highest burden countries with least ability to pay and reflect current epidemiology and health system needs

**Incentive funding**
- Often used to cover essential service gaps in countries, leaving little for innovative and ambitious high-impact interventions
## Application process and use of national strategic plans

<table>
<thead>
<tr>
<th>TERG additional observations and recommendations</th>
<th>TRP additional observations and recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>National strategic plans</strong></td>
<td><strong>TB/HIV and simultaneous concept note submission</strong></td>
</tr>
<tr>
<td>• Let countries lead</td>
<td>• Global Fund focus requirement undermines systematic shift of key population support to national resources</td>
</tr>
<tr>
<td>• More integrated, health systems-oriented NSPs</td>
<td>• Ensure mechanism for social contracting of NGOs with national budget for sustainable services</td>
</tr>
<tr>
<td>• Invest and engage now in program reviews, NSP development and joint assessment of NSPs</td>
<td>Iteration improves strategic focus and concept note quality</td>
</tr>
<tr>
<td>• Maximize effectiveness of Global Fund’s convening power for integration</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NSPs are important for sustainability planning</th>
<th><strong>National strategic plans</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• <strong>Clarity how to integrate disease resource planning in health sector financing envelope</strong></td>
<td>• Disease and HSS plans ideally integrated</td>
</tr>
<tr>
<td>• <strong>Ensure that grants focus on advocacy, capacity building, and service delivery to sustain key programmatic areas</strong></td>
<td>• Support prioritization within NSPs to maximize impact and identify best resource use</td>
</tr>
</tbody>
</table>

- **National strategic plans provide basis for funding but quality varies**
  - Hence, cumbersome concept notes and review process

- **Multi-component concept notes present opportunities**
  - *Increase support for integrated application*
  - *Better identify opportunities for more effective and efficient use of funding and future sustainability across diseases and HSS*
  - *Potentially promote integrated program implementation*
### Differentiation

**Continue exploration of differentiation across grant life cycle and within Global Fund**
- “One size fits all” approach inefficient

<table>
<thead>
<tr>
<th>TERG additional observations and recommendations</th>
<th>TRP additional observations and recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Good progress overall</strong></td>
<td><strong>Pilots: differentiated approach to grant application and TRP review possible</strong></td>
</tr>
<tr>
<td>• Significant restructuring in grant management</td>
<td>• Use context-sensitive differentiated concept note formats, review criteria and TRP process</td>
</tr>
<tr>
<td>• Risk mitigation strategies in place for grants</td>
<td>• Balance review information needs with level of effort in application process</td>
</tr>
<tr>
<td>• Develop world-class risk management function for country-specific mitigation strategies</td>
<td><strong>Challenging operating environments</strong></td>
</tr>
<tr>
<td>Little differentiation at funding access and grant implementation stages</td>
<td>• TRP has adopted differentiated approach</td>
</tr>
<tr>
<td>• Reduce transaction costs</td>
<td>• Challenges in planning capacity and documentation availability</td>
</tr>
<tr>
<td>• Move to design of NSP-based grants</td>
<td>• Rapidly changing context requires flexibility in planning and implementation</td>
</tr>
<tr>
<td>• Rationalize choice of tools and instruments</td>
<td></td>
</tr>
<tr>
<td>• Board should approve comprehensive plan developed by Secretariat</td>
<td></td>
</tr>
<tr>
<td>• TERG review ongoing</td>
<td></td>
</tr>
</tbody>
</table>

---

*The Global Fund Le Fonds mondial El Fondo Mundial Глобальный фонд 全球基金*
## Summary TERG/TRP reflections

### Overall strategy direction and strategic objectives

- Good progress of strategy and its implementation
- Critical challenges now in effectiveness of implementation
- Funding model is major improvement
- Differentiate/simplify complex Global Fund requirements

### Allocation model

- Allocation model has increased predictability
- Limitations evident, calling for modifications to formula
- Needs to better reflect epidemiology and system needs
- Revisit incentive funding, which is not achieving its intended purpose
- Regional applications have highlighted critical gaps and have potential to yield shared benefit for all stakeholders

### Application process, use of national strategic plans

- National strategic plans provide basis for funding but quality varies
- Multi-component concept notes present opportunities
- Global Fund requirement to focus on key populations can be a disincentive to national investment and undermine transition

### Differentiation

- Continue exploration of differentiation across grant life cycle and within Global Fund
- Disproportionate time spent on access to funding compared to grant implementation
- Get back to original Global Fund spirit of “less process, more results” but with differentiated safeguards