

35th Board Meeting

# The Global Fund Eligibility Policy

GF/B35/06 – Revision 1  
Board Decision

PURPOSE: This paper presents the revised Eligibility Policy that the Strategy, Investment and Impact Committee recommends for Board approval.

## I. Decision Point

1. Based on the rationale described below, the following decision point is recommended to the Board:

**Decision Point GF/B35/DP07: Revised Eligibility Policy**

1. ***Based on the recommendation of the Strategy, Investment and Impact Committee, the Board approves the revised Eligibility Policy, as set forth in Annex 2 to GF/B35/06 – Revision 1 (the “Revised Eligibility Policy”).***
2. ***Accordingly, the Board:***
  - a. ***Acknowledges this decision point and the Revised Eligibility Policy supersede Board decision point GF/B30/DP05 and the previous Eligibility Policy as set forth in Attachment 1 to GF/B30/6 – Revision 1 (the “Previous Eligibility Policy”); and***
  - b. ***Notes that notwithstanding paragraph 2.a. of this decision point, the Previous Eligibility Policy remains applicable to grant programs originating from the 2014 – 2016 allocation period.***

## II. Relevant Past Decisions

2. Pursuant to the Governance Plan for Impact as approved at the Thirty-Second Board Meeting,<sup>1</sup> the following summary of relevant past decision points is submitted to contextualize the decision point proposed in Section I above.

Relevant past Decision Point	Summary and Impact
<b>GF/B30/DP05: Revision of the Policy on Eligibility Criteria, Counterpart Financing Requirements and Prioritization of Proposals for Funding from the Global Fund (November 2013)<sup>2</sup></b>	Approved the amended “Eligibility and Counterpart Financing Policy” in order to align it with the new funding model. In addition, the Board requested the Strategy, Investment and Impact Committee and the Secretariat to refine the Global Fund’s approach to transitioning countries. If the Board approves the decision point presented above, the revised Eligibility Policy set forth in this paper will supersede the eligibility policy contained in the “Eligibility and Counterpart Financing Policy”.

## III. Action Required

3. This paper requests to the Board to approve the revised Eligibility Policy set forth in Annex 2 to this paper, based on the recommendation of the Strategy, Investment and Impact Committee (SIIC). Upon approval by the Board, the Secretariat will implement the revised Eligibility Policy.

<sup>1</sup> GF/B32/DP05: Approval of the Governance Plan for Impact as set forth in document GF/B32/08 Revision 2.

<sup>2</sup> <http://www.theglobalfund.org/Knowledge/Decisions/GF/B30/DP05/>

## IV. Executive Summary

4. Global Fund eligibility criteria are designed to ensure that available resources are allocated and invested in countries and regions with the highest burden of disease and the least economic capacity to respond to HIV, tuberculosis and malaria, and to key and vulnerable populations that are disproportionately affected by the three diseases.
5. The SIIC recommends that the Board approve a revised Eligibility Policy, which clarifies the language of existing provisions and includes minor revisions. These changes include the incorporation of flexibilities for Challenging Operating Environments (COE), to align with the COE policy presented in Board paper GF/B35/03, clarification on when newly eligible components may be eligible for an allocation, and increased eligibility for interventions targeted at building resilient and sustainable systems for health (RSSH) according to the 2017-2022 Global Fund Strategy. Furthermore, the focus of application and counterpart financing sections of the current Eligibility and Counterpart Financing Policy are now incorporated into the Sustainability, Transition and Co-Financing Policy, as presented in Board paper GF/B35/04.
6. The SIIC also recommends that the Board adopt a three-year GNI per capita average to determine income level classification for eligibility purposes in line with findings from the Equitable Access Initiative. The result of this would have minimal effects on country eligibility but would serve to moderate the rate of transition into and out of Global Fund eligibility for countries who experience significant annual fluctuations in their GNI per capita.

## V. Background

7. As outlined in the Framework Document<sup>3</sup>, the Global Fund's criteria for eligibility for funding should take into account a number of factors such as disease burden, political commitment, the involvement of an inclusive Country Coordinating Mechanism and the poverty situation<sup>4</sup> of the country<sup>5</sup> in which activities will be implemented.
8. The current Eligibility and Counterpart Financing Policy (ECFP),<sup>6</sup> updated in November 2013, was initially developed during an extensive yearlong joint Board committee review process before being approved in May 2011.<sup>7</sup> The ECFP sets out the criteria (i.e. income level and disease burden<sup>8</sup>) for individual country components to be eligible to receive an allocation, the eligibility criteria for regional and multi-country applications (i.e. majority of countries must be eligible), as well as focus of applications and certain co-financing (i.e., counterpart financing) requirements.
9. The change from a Rounds-based financing model to an allocation-based model, which was fully implemented in 2014, represented a significant shift in how the Global Fund strategically invests for impact. This shift did not change the fundamentals for determining eligibility for an allocation nor the requirements for co-financing; however, minor refinements were required in 2013 to align the ECFP with an allocation model. The primary substantive revisions to the policy were to include a provision to make 'malaria-free' countries<sup>9</sup> ineligible for an allocation and allow for the provision of up to one allocation of 'Transition Funding' for newly ineligible existing grants<sup>10</sup>. Remaining provisions reflected the various eligibility-related decisions previously approved by the Board.

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<sup>3</sup> The Framework Document of the Global Fund (January 2002)

<sup>4</sup> Income level measured by appropriate economic indicators, such as the World Bank, Atlas Method.

<sup>5</sup> References in this document to "country" refer to "economy" as classified by the World Bank.

<sup>6</sup> Set forth in Attachment 1 to GF/B30/6 – Revision 1 and approved under GF/B30/DP05.

<sup>7</sup> Set forth in Attachment 1 to GF/B23/14 and approved under GF/B23/DP23, the joint review was carried out under the Portfolio Implementation Committee and the Strategy and Policy Committee during 2010 and 2011

<sup>8</sup> All lower and lower-middle income countries and IDA Small Island Economy Exceptions are eligible for all three diseases regardless of disease burden (except if 'malaria-free'). Upper middle income countries must have a 'high', 'severe' or 'extreme disease burden as defined by the criteria in Annex A of the Eligibility Policy. Upper-middle income countries must also be on the OECD-DAC List of Recipients in order to be eligible for HIV unless they meet the criteria stipulated under the NGO Rule for HIV/AIDS (paragraph 11).

<sup>9</sup> Countries certified as malaria-free by WHO or on the WHO's Supplementary List of Countries.

<sup>10</sup> As part of the 2014-2016 allocation only two existing grants received Transition Funding, Fiji TB and Iraq TB.

10. The revised Eligibility Policy presented in Annex 2 reflects minimal changes needed to update language in the policy to currently used terminology (e.g. MARPS to Key and Vulnerable Populations) and to clarify the language of existing provisions. Substantive changes include the incorporation of flexibilities for Challenging Operating Environments (COE), to align with the COE policy presented in Board paper GF/B35/03, clarification on when newly eligible components may be eligible for an allocation, and increased eligibility for interventions targeted at building resilient and sustainable systems for health (RSSH) according to the 2017-2022 Global Fund Strategy.

11. The SIIC also recommends that the Global Fund adopt a rolling three year average GNI per capita to determine income classification based upon the recommendations of the Equitable Access Initiative. The result of this would have minimal effects on country eligibility but would serve to moderate the rate of transition into and out of Global Fund eligibility for countries who experience significant annual fluctuations in their GNI per capita.<sup>11</sup>

12. The revised Eligibility Policy is presented as a standalone policy that solely stipulates the criteria that will be used to determine which country components are eligible to receive an allocation and access funds that are available beyond country allocations. Provisions which are more relevant to applying for funding including the focus of application requirements and co-financing requirements have been incorporated in the Sustainability, Transition and Co-financing Policy presented in Board paper GF/B35/04.

## VI. Recommendation

13. Based on the rationale described above and in the attached Explanatory Note (Annex 1), which summarizes the revisions to the Eligibility Policy, the SIIC recommends that the Board approve the revised Eligibility Policy as set forth in Annex 2.

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<sup>11</sup> When simulating the use of a 3-year average on the 2016 Eligibility List, only one country experienced a change in eligibility for 2 components; 4 countries experienced a change in application focus and co-financing requirements.

## Annex 1 – Explanatory Note – Revisions to the Eligibility Policy

### Purpose:

1. The table below highlights areas where changes have been made to the Eligibility Policy, which is now presented as a standalone policy. Minor changes to language for clarity are not highlighted. Re-ordering and re-numbering of existing paragraphs are also not highlighted unless relevant to the rationale for revision.

Area	Current policy reference and change (if applicable)	Rationale for revision	Revised policy reference
Eligibility for an allocation	Not applicable	Clarifies that eligibility to receive an allocation does not guarantee an allocation. For example, there may be some cases where changes to a country's income classification result in eligibility for a disease for which they have never requested nor accessed funding from the Global Fund.	Paragraph 3
Challenging operating environments (COEs)	Not applicable	Includes reference to flexibilities for COEs	Paragraph 3
Timing for eligibility determinations	Paragraph 6 (revised)	This has been revised to clarify that: <ul style="list-style-type: none"> <li>• For a newly eligible country or component to be eligible for an allocation, it must be eligible for two consecutive eligibility determinations (paragraph 4a). Previous language referred to being eligible for an allocation during an allocation period.</li> </ul>	Paragraph 4a
3-year average GNI for determining income classification	Not part of the current policy	The TERG position paper on Sustainability (GF/SIIC16/03 ) recommended that the Secretariat review the implications of using a single year (current methodology) versus a multi-year rolling averages for eligibility purposes. The SIIC recommends using a 3-year average of WB GNI (Atlas method) to determine income classification. This would have minimal effects on the portfolio of eligible countries/components and in some cases (e.g. low/moderate disease burden countries who move from LMI to UMI) would result in some countries/components remaining eligible a bit longer before moving to transition funding and	Paragraph 5

		would also potentially slow down countries becoming newly eligible (e.g. those who move from ‘high’ down to ‘UMI’). This is also in line with the findings from the Equitable Access Initiative.	
Eligibility of RSSH interventions	Paragraph 8 (references to HSS removed)	A separate paragraph has been included which clarifies that all eligible components may request and are encouraged to, in line with country and epidemiological context, use allocations for RSSH. This is in line with the direction of the strategic framework 2017 – 2022. However, current policy language refers to who is eligible to ‘apply’ for stand-alone HSS (e.g. separate grant/concept note) and restricts UMIs and Small Island Economies with less than a ‘severe’ or ‘extreme’ disease burden for doing so.	Paragraph 9
NGO Rule for HIV/AIDS	Paragraph 12	Revised for clarity, no changes in requirements.	Paragraph 11
Transition Funding	Paragraph 13	Revised to clarify that countries or components funded under an <b>existing grant</b> that become ineligible are eligible to receive up to one additional allocation for the allocation period immediately following their change in eligibility and allows for the Secretariat, based on country context and existing portfolio considerations, to determine the appropriate period and amount of funding for priority transition needs. Flexibilities with respect to Transition Funding, which are provided in the Sustainability, Transition and Co-financing (STC) Policy, as well as Challenging Operating Environments Policy, are also cross-referenced.	Paragraph 13
Application Focus	Paragraphs 15 through 17, Annex A (Incorporated into STC policy)	Revised and moved to STC Policy	Part 2, Paragraph 1a.-1c.
Counterpart Financing	Paragraphs 18 through 29 (Incorporated into STC policy)	Revised and moved to STC Policy	Ref STC paragraphs

## Annex 2 – THE GLOBAL FUND ELIGIBILITY POLICY

1. This document sets out the Global Fund Eligibility policy (the “Policy”). Consistent with previous eligibility revisions, this Policy is designed to ensure that available resources are allocated to countries with the highest disease burden and lowest economic capacity and to key and vulnerable populations disproportionately affected by the three diseases.
2. This Policy applies to all funding opportunities and establishes criteria to identify components that are eligible to receive an allocation<sup>12</sup> and sets requirements and restrictions on how funds may be accessed.
3. Eligibility criteria are established to identify which countries, based on disease burden and country economic capacity, may qualify to receive an allocation and apply for funding from the Global Fund and under which conditions. Eligibility to receive an allocation does not guarantee an allocation.<sup>13</sup> Eligibility determinations to access funding will be based on compliance with Country Coordinating Mechanism (CCM) minimum eligibility requirements, sustainability, transition and co-financing requirements, and taking into account the flexibilities for Challenging Operating Environments (COEs), as set forth in their respective policies and as amended from time to time, and such other eligibility requirements as described in this Policy.
4. **Eligibility Determination:** Eligibility determinations for allocations will be made prior to each allocation following the publication of income classifications (see Paragraph 7 of this Policy) and provision of official disease burden data by key partners<sup>14</sup>. Eligibility determinations will be updated on an annual basis. Notwithstanding:
  - a. Countries or components that become newly eligible may be eligible to receive an allocation, subject to the availability of funding, only after being eligible for two consecutive eligibility determinations; and
  - b. Countries or components that become ineligible during an allocation period before accessing their funding will not forfeit their allocation. However, the Secretariat may adjust the level of funding and require specific time-bound actions for transitioning to other sources of financing in accordance with the Sustainability, Transition and Co-Financing Policy, as amended from time to time.
5. **Income Level:** The income level eligibility of a country submitting an application shall be based on a country’s income classification. The Secretariat will make the determination of income classification following the publication of the World Bank (Atlas Method) Income Classification and Gross National Income (GNI) per capita (Atlas Method) data in July of each year (or following the month of publication if different from July) and will use an average of available GNI per capita data over the latest three-year period in order to determine a country’s income classification.<sup>15</sup> With respect to income classification, eligibility shall be determined considering the following:

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<sup>12</sup> Under the funding model adopted at the 28th Board Meeting in November 2012 (GF/B28/DP4), and refined at the 35<sup>th</sup> Board meeting in April 2016 (GF/B35/DPXX), all eligible country components are calculated funding amounts that can be accessed over each three-year allocation period, based on an allocation methodology that utilizes indicators approved by the Global Fund Board Committee with oversight on the allocation methodology.

<sup>13</sup> For example, allocations may not be made available in cases where there are no existing grants and/or where there has never been a Global Fund grant; or cases where previous grants have successfully transitioned to domestic financing. In such cases, individual country context will be considered as part of allocation decisions.

<sup>14</sup> Disease burden data is the latest available official data provided by the headquarters of the following key partners per disease: HIV and AIDS: UNAIDS and WHO; Tuberculosis: WHO; Malaria: WHO.

<sup>15</sup> Income classifications (e.g. “High”, “Upper-middle Income”, “Lower Middle Income” and “Low Income”) will be determined using the World Bank classification thresholds for the year the determinations are made. In case of the absence of World Bank data for one or more

- a. Low income countries (LICs) are eligible to receive an allocation and apply for funding regardless of disease burden without specific restriction.
  - b. Lower middle income (LMICs) are eligible to receive an allocation and apply for funding regardless of disease burden. Lower middle income countries (LMICs) shall be split into two income groups using as a cut-off the midpoint<sup>16</sup> of the range of GNI per capita for LMICs as reported by the World Bank. Countries at the midpoint or below the midpoint shall, for the purposes of this Policy, be described as “Lower LMICs” and those above the midpoint as “Upper LMICs”.
  - c. Upper middle income countries (UMICs) will be eligible to receive an allocation and apply for funding if they meet the disease burden requirements described in Paragraph 6 of this Policy or pursuant to Paragraph 5.d. of this Policy.
  - d. UMICs designated under the ‘small island economy’ exception to the International Development Association lending requirements, are eligible to receive an allocation and apply for funding from the Global Fund, regardless of national disease burden, as outlined in Paragraphs 6. and 7. of this Policy.
  - e. UMICs that are members of the Group of 20 (G-20) countries are not eligible to receive an allocation and apply for funding unless they have an ‘extreme’ disease burden. Notwithstanding, countries excluded from applying for funding under this provision may be eligible to apply for HIV/AIDS funding if they meet the criteria described in Paragraph 11 of this Policy (i.e., the NGO Rule).
  - f. High income countries (HICs) are ineligible to receive an allocation or apply for funding through a single country application.
  - g. Members of the Organisation for Economic Co-operation and Development’s (OECD) Development Assistance Committee (DAC) are ineligible to receive an allocation and to apply for funding.
6. **Disease Burden:** All LICs and LMICs shall be eligible to receive an allocation and to apply for funding for HIV and AIDS, tuberculosis, and malaria<sup>17</sup>. Subject to Paragraph 5.d. of this Policy, UMICs shall only be eligible for an allocation and to apply for funding for the disease(s) in which their reported disease burden<sup>18</sup> is measured as ‘High’, ‘Severe’ or ‘Extreme’ as reported in the matrix included in Annex A to this Policy, and as may be amended from time to time.
  7. Recognizing the diversity of country situations, eligible UMICs with a ‘high’ disease burden and eligible ‘Small Island Economy’ exception countries to the International Development Association lending eligibility requirements<sup>19</sup> with a ‘low’ or ‘moderate’ disease burden will only be eligible to receive a pre-defined maximum amount of funding<sup>20</sup>.
  8. Notwithstanding Paragraphs 5.a. through 5.g. above, countries that are certified as ‘malaria-free’ by WHO or are on the WHO’s ‘Supplementary List’ of countries where malaria never existed or

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years, the Secretariat will average the available data from the latest three-year period (e.g. 2 years). In the absence of any data for the three-year period, the Secretariat will look at the trends in income classification, and in cases of shifts income level trends will seek additional information from the World Bank, to determine average income classification.

<sup>16</sup> The ‘midpoint’ is defined as the average between the lower and the upper bound GNI per capita of the LMIC category and is used to differentiate Sustainability, Transition and Co-Financing Policy and does not affect eligibility.

<sup>17</sup> Countries certified as malaria-free by WHO or on the WHO’s Supplementary List of Countries are not eligible for funding (as per paragraph 8 of this policy).

<sup>18</sup> As reported by official data provided by the headquarters of the following partners: UNAIDS and WHO for HIV and AIDS, and WHO for tuberculosis and malaria.

<sup>19</sup> As found at the [International Development Association website](#).

<sup>20</sup> These maximum amounts will be defined prior to the commencement of each allocation period based on an allocation methodology that utilizes indicators approved by the Global Fund Board Committee with oversight on the allocation methodology.



disappeared, regardless of their income level, are not eligible to receive an allocation or apply for malaria funding.

9. Applicants, regardless of income level or disease burden, may use allocation funds for RSSH interventions<sup>21</sup> in line with their country and epidemiological contexts, noting that investments would need to meet the application focus requirements set forth in Part 2, Paragraph 1a. through c. of the Sustainability, Transition and Co-financing Policy.
10. A Regional or multi-country application shall only be eligible for funding where the majority (at least 51 percent) of countries included in the application would be eligible<sup>22</sup> to submit their own request for funding for that same disease through a single-country application.
11. **NGO Rule for HIV/AIDS:** UMICs not listed on the OECD's DAC list of ODA recipients<sup>23</sup> are eligible to receive an allocation for HIV and AIDS funding **only if** they have a reported disease burden of 'High', 'Severe' or 'Extreme' and are eligible to apply for such funds only if the following conditions are met:
  - a. Confirmation that the allocation will be used to fund interventions that are not being provided due to political barriers and are supported by the country's epidemiology;
  - b. Confirmation that: (i) the application will be submitted by a non-CCM or other multi-stakeholder coordinating body; and (ii) the program will be managed by a non-governmental organization (NGO) within the country in which activities would be implemented;
  - c. The government of such country shall not directly receive any funding; and
  - d. Applicants meet all other applicable requirements as set forth in the Sustainability, Transition and Co-financing Policy, as amended from time to time.
12. Notwithstanding paragraph 5 e. through g., a grace-period of one allocation period will be provided to those countries with an existing HIV grant that meet the criteria in Paragraph 11 and become ineligible due to changes in income level.
13. **Eligibility Transitions:** Countries or components funded under an existing grant that become ineligible may receive funding for up to one additional allocation period following their change in eligibility (Transition Funding), except if their change in eligibility is due to any of the criteria described in Paragraphs 5 e. through g of this Policy. The Secretariat, based on country context and existing portfolio considerations, will determine the appropriate period and amount of funding for priority transition needs. The Sustainability, Transition and Co-financing and Challenging Operating Environments Policies outline potential flexibilities to allow for the provision of additional Transition Funding.

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<sup>21</sup> In line with RSSH investment guidance developed with partners.

<sup>22</sup> UMICs designated under the 'small island economy' exception to the International Development Association lending requirements, are eligible to receive an allocation and apply for funding from the Global Fund, regardless of national disease burden, as outlined in Paragraphs 6. and 7. of this Policy.

<sup>23</sup> The Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development publishes a list of countries eligible for Official Development Assistance (ODA).

**Annex A: Disease Burden Indicators**

	<b>HIV*</b>	<b>TB*</b>	<b>MALARIA* ‡</b>
<b>Category</b>	<i>HIV prevalence in population and/or key populations</i>	<i>Combination of TB notification rate per 100,000 population (all forms including relapses); and add WHO list of high burden countries (TB, TB/HIV or MDR-TB burden)</i>	<i>Combination of mortality per 1000 at risk of malaria; morbidity rate per 1000 at risk; and contribution to global deaths attributable to malaria.</i>
<b>Extreme</b>	HIV national prevalence $\geq 10\%$	TB notification rate per 100,000 $\geq 300$ and high TB, TB/HIV or MDR-TB burden country	Mortality rate $\geq 2$ <b>OR</b> Contribution to global deaths $\geq 2.5\%$
<b>Severe</b>	HIV national prevalence $\geq 2\%$ and $< 10\%$	TB notification rate per 100,000 of $\geq 100^{\S}$ <b>OR</b> TB notification rate $\geq 50$ and $< 100$ and high TB, TB/HIV or MDR-TB burden country	Mortality rate $\geq 0.75^{\S}$ and morbidity rate $\geq 10$ <b>OR</b> Contribution to global deaths $\geq 1\%^{\S}$ <b>OR</b> country with documented artemisinin resistance
<b>High</b>	HIV national prevalence $\geq 1\%$ and $< 2\%$ <b>OR</b> prevalence in a key population $\geq 5\%$	TB notification rate per 100,000 of $\geq 50$ and $< 100$ <b>OR</b> TB notification rate per 100,000 $\geq 20$ and $< 50$ and high TB, TB/HIV or MDR-TB burden country	Mortality rate $\geq 0.75$ and morbidity rate $< 10$ <b>OR</b> mortality rate $\geq 0.1$ and $< 0.75$ regardless of morbidity rate <b>OR</b> contribution to global deaths $\geq 0.25\%$ and $< 1\%$
<b>Moderate</b>	HIV national prevalence $\geq 0.5\%$ and $< 1\%$ <b>OR</b> prevalence in a key population $\geq 2.5\%$ and $< 5\%$	TB notification rate per 100,000 of $\geq 20$ and $< 50$ <b>OR</b> TB notification rate per 100,000 $< 20$ and high TB, TB/HIV or MDR-TB burden country	Mortality rate $< 0.1$ and morbidity rate $\geq 1$ <b>OR</b> contribution to global deaths $\geq 0.01\%$ and $< 0.25\%$
<b>Low</b>	HIV national prevalence $< 0.5\%$ and prevalence in a key population $< 2.5\%$ <b>OR</b> no data	TB notification rate per 100,000 of $< 20$ <b>OR</b> no data	Mortality rate $< 0.1$ and morbidity rate $< 1$ <b>OR</b> contribution $< 0.01\%$ <b>OR</b> no data

\* Data sources: HIV and AIDS: UNAIDS and WHO. If data are available for specific key populations, the highest prevalence will be taken into account. Tuberculosis: WHO. Malaria: WHO

‡ The Secretariat will use malaria data for earlier years (2000) as recommended by WHO. In the case that an application is submitted from a sub-national applicant the Global Fund will use incidence and mortality rates for those specific areas (and the contribution of those areas to the global burden).

§ And not covered by the criteria for the Extreme category