

Frequently Asked Questions

2017-2019 Funding Cycle

November 2017

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The Funding Model

What is new about the funding model?

The allocation-based funding model remains largely unchanged for the 2017-2019 funding cycle. Eligible countries will receive a communication on their allocation amount in December 2016 and will be able to access new funding over the 2017-2019 period.

However, elements of the funding model have been amended to align with the new Global Fund Strategy 2017-2022 and new policies. These elements include an updated allocation methodology¹; new sustainability and transition expectations² including a new co-financing approach; flexibilities for challenging operating environments³ and differentiation in the way the Global Fund works with countries. (See differentiation principles for access to funding in Annex 1.)

¹ https://www.theglobalfund.org/media/4224/bm35_05-allocationmethodology2017-2019_report_en.pdf

² https://www.theglobalfund.org/media/4221/bm35_04-sustainabilitytransitionandcofinancing_policy_en.pdf

³ https://www.theglobalfund.org/media/4220/bm35_03-challengingoperatingenvironments_policy_en.pdf

The funding application materials and review process have been revised based on lessons learned from the last funding cycle and have been informed by the new strategy, policies and differentiation principles.

What is the new Global Fund strategy?

In April 2016, the Board of the Global Fund approved the organization's strategy for the period 2017 to 2022, titled *Investing to End Epidemics*⁴. The strategy is based on a framework of four objectives:

- 1) Maximize impact against HIV, TB and malaria;
- 2) Build resilient and sustainable systems for health;
- 3) Promote and protect human rights and gender equality;
- 4) Mobilize increased resources.

Successfully implementing the strategy depends on two additional and fundamental elements: Innovating and differentiating along the development continuum, and supporting mutually accountable partnerships.

What does Global Fund mean by 'development continuum'?

The development continuum refers to the trajectory of development that occurs in different ways at different speeds in each country. It can include economic, demographic, political and cultural development factors. The new Global Fund strategy recognizes the need to develop differentiated approaches based on specific country circumstances to better serve people in need.

What does the Global Fund mean by 'Challenging Operating Environments'?

Challenging Operating Environments (COEs) refer to countries as a whole, but also to unstable parts of countries or regions, characterized by weak governance, poor access to health services and manufactured or natural crises.

Challenging Operating Environments are critical to the Global Fund's mission and objectives, as they account for a third of the global disease burden for HIV, TB and malaria, and for a third of Global Fund investments. Performance in COEs has traditionally been weak due to systemic and capacity gaps that greatly impact ability to implement programs.

The new Challenging Operating Environment Policy⁵ emphasizes the Global Fund is committed to "improve effectiveness in COEs through innovation, increased flexibility and partnership."

⁴ https://www.theglobalfund.org/media/1176/bm35_02-theglobalfundstrategy2017-2022investingtoendepidemics_report_en.pdf

⁵ https://www.theglobalfund.org/media/4220/bm35_03-challengingoperatingenvironments_policy_en.pdf

Eligibility and Allocations

How has country eligibility changed?

There is an updated Eligibility Policy available on the Global Fund website⁶. Eligibility for Global Fund financing is still based on two key criteria: income level and disease burden. Two notable observations about the updated policy: the Global Fund will now use a three-year average of the latest available gross national income (GNI) per capita (Atlas Method) to determine income level, and components will need to be eligible for two consecutive determinations in order to be considered eligible for an allocation. The eligibility list for 2017, which will be the basis for allocations for 2017-2019, is available [here](#). Note that eligibility for Global Fund financing does not guarantee an allocation.

How much money is available for 2017-2019?

The total amount of funds currently available for the 2017-2019 allocation period is US\$11.1 billion. That includes US\$10.3 billion for country allocations and US\$800 million for catalytic investments.

Who received allocation letters?

Countries receiving allocations received a communication letter in December 2016 on their allocation amount. This allocation letter was sent to the Chair of the relevant Global Fund Country Coordinating Mechanism. The eligibility list for 2017, which was the basis for allocations for 2017-2019, is available on our [website](#). Please note that eligibility for Global Fund financing does not guarantee an allocation.

Does the allocation all need to be applied for at the same date?

Countries may submit no more than one funding request for each eligible disease component. Although joint applications are encouraged, funding requests for different programs can be submitted at different times. The program split decision is required before the first of these funding requests are submitted.

What is the difference between allocation period and grant period?

The allocation period refers to the period during which eligible countries can access their allocation funding. For the current allocation period, all grants need to be Board-approved by the end of 2016, while for the next allocation period grants will need to be Board-approved by the end of 2019.

Grants can start directly after current grants end, last 3 years as standard and end at least a year after the allocation period in order to allow a 12-month buffer to apply for new funding. In the next allocation period, all grants must continue to (at least) December 2020. The grant period is also referred to as the implementation period.

If my grant ends in December 2018, will I only get a two-year allocation?

All allocations will be used over a three-year period, starting immediately after the end of the current implementation period.

⁶ https://www.theglobalfund.org/media/4227/bm35_06-eligibility_policy_en.pdf

If there are grant recipients whose implementation period will not end by December 31, 2017 (for example it ends by March 2018), can they continue using their grants from the 2014-2016 allocation period until March 2018?

Yes. While 70% of the Global Fund grant portfolio have December 2017 as an end date, 30% of current grants continue past 2017 into 2018 or beyond. The funding from the first allocation period (2014-2016) will fund these grants until their grant end-date. The allocation for 2017-2019 will be available to fund 3-year grants from the original end date of the current grants (funded from the 2014-2016 allocation period).

Is it true that there will be no consolidations or overlaps in funding from the current allocation period (2014-2016) to the next (2017-2019)? Is this new information?

This is not a new policy but was not the approach used when the allocation-based funding model was introduced. In the transition period from the rounds-based to the allocation-based funding model, existing funding did carry over as rounds-based grants continued into the first allocation-based period.

Going forward, the 3-year allocation amount will be used for the corresponding 3-year allocation utilization period, determined for each country component based on the original end date of the current grant. Unused funds remaining at the end of grants from the 2014-2016 allocation will not be available for use in addition to funding available from the 2017-2019 allocation period.

If an extension is required, how will it be funded?

Financing from the 2014-2016 and 2017-2019 allocations cannot be consolidated or overlap. Applicants should therefore plan to apply for funding with sufficient time to start grants from the new allocation immediately after the current implementation period ends. If an extension is required, then the amount required for the extension will be deducted from the applicant's new allocation amount for the 2017-2019 allocation period.

If an applicant want to shorten their grant (i.e. duration of less than the standard three years) what happens to the allocation?

The allocation is reduced on a pro rata basis.

Will countries that are unable to fully utilize their 2014-2016 grant allocations within their implementation period receive less funding in 2017-2019?

The formula for allocating funds to country programs in the 2017-2019 cycle is primarily based on each country's economic capacity (measured by GNI per capita) and disease burden (as recommended by Global Fund technical partners). It takes into account maximum and minimum shares, and adjustments for other external financing.

Allocations are then adjusted i) to balance scale-up for country components whose anticipated⁷ spend from the 2014-2016 allocation period is lower than the allocation formula would calculate for the 2017-2019 allocation period, ii) with paced reductions for country components whose anticipated spend from the 2014-2016 allocation is higher than the allocation formula would calculate for the 2017-2019 allocation period.

Additionally, the allocations are refined to account for epidemiological and other country contexts through a qualitative adjustment process.

⁷ 3-year equivalent actual and projected spend arising from the 2014-2016 allocation period

Countries will not be “penalized” if they have not fully utilized their current grant funds, but levels of anticipated spend from 2014-2016 allocation period are considered in determining whether the allocation amounts will be a scale-up or paced reduction from a country program’s current levels.

The qualitative adjustment process also considers each program’s potential to absorb the new allocation amount (in addition to other critical factors including potential for impact of the funds), and in doing so allows for significant scale-up of resources as guided by the allocation formula and country context, and does not limit country programs to their anticipated levels of spend from the 2014-2016 allocation period.

Unused funds at the original grant end date will be returned to the Global Fund and used for portfolio optimization investments through the allocation period.

What is new about the allocation methodology?

The allocation methodology has been refined to strive for greater impact, simplicity, flexibility and predictability, and to achieve aims of the 2017-2022 Global Fund Strategy by:

- Driving an increased portion of funding to higher burden, lower-income countries;
- Specifically accounting for HIV epidemics among key populations, the threat of multidrug-resistant TB, and for malaria elimination efforts; and
- Providing sustainable and paced reductions where funding is decreasing.

Will I be allocated more or less funding than in the last period?

The allocation methodology for 2017-2019 aims to increase impact by better aligning the proportion of Global Fund financing to countries with the highest burden and least economic capacity, as well as towards key and vulnerable populations disproportionately affected by the three diseases.

The new methodology is applied to the total funding that will be available for the 2017-2019 allocation period, and this will inform the allocations that countries will receive. Across the portfolio some country programs will see funding increases, and others decreases.

It should also be noted that the allocations communicated in 2014 were for a four-year period to ease the transition from the rounds-based funding approach. For the 2017-2019 allocation period, in the steady-state funding model, country allocations will be for three years, so the size of funding overall is lower.

How does the allocation methodology work?

The formula for allocating funds to country programs is based on each country’s disease burden (as recommended by technical partners) and economic capacity (measured by GNI per capita). It also takes into account maximum and minimum shares, adjustments for other external financing, and needs for scale up and paced reductions.

In addition, the Global Fund refines allocations during a qualitative adjustment process in order to address specific country situations insufficiently addressed in the allocation formula, such as the needs of populations disproportionately affected by the diseases. The qualitative adjustment process for 2017-2019 was conducted under the oversight of the Global Fund Strategy Committee and Board.

What is the global disease split of the total allocation amount?

While applicants have flexibility in deciding how to allocate financing among their individual programs, as part of the allocation methodology the Secretariat will apportion resources among the three diseases based on the following distribution agreed by the Global Fund Board:

- HIV/AIDS: 50%;
- Tuberculosis: 18%;
- Malaria: 32%.

Differentiated Application Process

What has changed in the funding application process?

The funding application process for 2017-2019 is tailored to the needs of applicants through 'differentiated' application materials and corresponding review approaches (see question 8). This updated process allows for flexible and tailored funding requests that are 'right-sized' to match the needs and context of a country.

The differentiated approaches enable quality funding requests to be developed more efficiently, to ensure greater time can be spent implementing grants. Simplified procedures have also been introduced based on lessons learned during the 2014-2016 allocation cycle. For example, the modular template has been replaced by the performance framework and budget at the application stage, which can be directly used for grant-making.

What are the key elements of the differentiated funding application process?

There are three different approaches to accessing funding in the differentiated process:

- 1) Program continuation: simplifies and streamlines the funding request process to ensure well-performing programs with no material change needed can continue implementation with minimal distraction;
- 2) Tailored review: funding application documentation requirements are appropriately designed for challenging operating environments, for transition, for national strategy-based approaches, for results-based financing or other innovative financing approaches, and for material reprogramming in defined areas;
- 3) Full review: Comprehensive overall review of a program's approach and strategic priorities.

The program continuation approach is limited to those applicants that meet certain criteria, such as strong programmatic performance and absorption, low risk profile, and without need for material change in programming. If applicants wish to pursue this funding approach they will be required to submit a request for program continuation in the first review window.

Eligible applicants will be informed of the amount of funding they can access, as well as the application approach, in an Allocation Letter from the Global Fund, planned to be sent in December 2016.

Countries may seek funding from this allocation cycle when it suits them best during the 2017-2019 period, according to their own national planning cycles and considering the end date of current grants.

How is the application approach determined?

Determining the application approach for each country program is a process involving the Global Fund, the applicant, and in cases of program continuation, the Technical Review Panel.

- 1) As a first step, the Global Fund gathers information and conducts analysis on all existing country programs. Based on this analysis, the Global Fund makes an application approach recommendation (program continuation, tailored or full review) for each country program. This recommendation is made based on criteria agreed by the Global Fund and the Technical Review Panel.
- 2) The application approach for each program is communicated to applicants in their Allocation Letter.
- 3) The applicant then confirms the application approach or, if applicable, registers for a more extensive review. In the case of countries identified for program continuation, applicants will use a checklist to assess whether their country context supports this approach. The applicant may determine a material change tailored application or full application approach is more appropriate for the needs of their country.
- 4) During the first submission window, the Technical Review Panel reviews the list of submitted program continuation requests. It may recommend a tailored or full review approach if they believe material change is required. They may also recommend applicants address specific areas during grant-making.

Is it possible for a country to use different application approaches for different programs?

Yes, the application approach is determined by program. For example, a country might be eligible for program continuation for its malaria program, and full review for its TB and HIV programs.

Can I choose which application approach to follow?

The Global Fund recommends the approach for each country program and communicates this to applicants in the Allocation Letter. In some cases the application approach is firm: those applicants that are in their last allocation period must follow the transition tailored review approach. However, any non-transition applicant may choose to register for a full review if they believe an overall change is needed in their program.

How can I find out which application approach a country program is following?

As applicants register a program for a Technical Review Panel review window, information including the specific application approach for that program, will be made available on the Global Fund website. Applications that are approved for program continuation will be listed following confirmation by the Technical Review Panel.

How is performance for program continuation eligibility determined?

Performance is assessed by component, but also takes into account corresponding grants performance both in terms of program implementation and of financial absorption.

When will application materials be available?

Application materials for the next funding cycle will be published on the Global Fund website by December 2016.

When should I apply for funding?

Overall, the planning and implementation of grants should be aligned with country planning cycles. Applicants need to consider that financing from the 2014 and 2017 allocations cannot be consolidated or overlap. Applicants should therefore plan to apply for funding with sufficient time to start grants from the new allocation immediately after the current implementation period ends.

Funding request documentation for program continuation will be required prior to the first TRP review window. Dates for the TRP review windows in 2017-2019 have not yet been finalized. Country Coordinating Mechanics (CCMs) will be asked to register for a TRP review window in early 2017, following receipt of the allocation letter.

Which applicants should apply for funding first?

Applicants eligible for program continuation are required to submit a program continuation request for review in the first submission window. The Global Fund encourages countries whose current grants are due to end in 2017 to submit a funding request in **one of the first two 2017 review windows** in order to complete grant-making and grant approval before their current grants end. Successfully achieving this approval before year-end assumes that grant-making can be completed in a four month period. By doing so applicants will therefore avoid the additional time and effort of applying for a grant extension as well as subsequently developing a funding request for the remaining allocation amount.

Preparing a Funding Request

What is a funding request?

The term ‘funding request’ replaces ‘concept note’ for the new funding cycle, as it more accurately encompasses the range of tailored application materials and review approaches.

What are the submission dates for funding requests?

- Window one submission date: 20 March 2017
- Window two submission date: 23 May 2017
- Window three submission date: 28 August 2017
- Window four submission date: 7 February 2018
- Window five submission date: 30 April 2018
- Window six submission date: 6 August 2018

Applicants following the program continuation approach must submit their request for review in window 1, or in windows 4, 5 or 6 (for grants starting after 1 July 2018). All other applicants will register for a review window depending on when they estimate their funding request will be ready for review.

Do I still need to prepare an above allocation request?

Yes, all applicants are encouraged to prepare a prioritized above allocation request that can be assessed for unfunded quality demand. This ensures countries have ‘pre-approved’ interventions to integrate into grants when savings or efficiencies are found during grant-making, or to include via reprogramming during implementation if additional funding becomes available. Private sector or approved public mechanisms (i.e. UNITAID and debt swap deals through Debt2Health) can also be a source of funding for the above allocation request.

For full and tailored review, the prioritized above allocation request is submitted with the funding request and can be updated during grant-making or implementation. For program continuation, the prioritized above allocation request can be submitted with the program continuation request, during grant-making or grant implementation and can also be updated during grant-making or implementation.

How is the prioritized above allocation request different from the full expression of demand?

Applicants are no longer requested to include a full expression of demand in their funding request. Instead, a prioritized request for additional funding beyond the allocation is now encouraged. This is submitted with the funding request for full and tailored review (and can be updated during grant-making or implementation). For program continuation, the prioritized above allocation request can be submitted with the program continuation request, during grant-making or grant implementation and can also be updated during grant-making or implementation.

It will be used by all countries to set out additional prioritized interventions to be considered should additional resources become available. The prioritized above allocation request will be reviewed by the Technical Review Panel and technically strong interventions will be registered as 'unfunded quality demand'. This ensures countries have technically sound and strategically focused interventions to integrate into programs when savings become available during grant-making or during the grant lifecycle. The interventions on the Register of Unfunded Quality Demand can be funded from several sources throughout the grant life cycle: Global Fund portfolio optimization, private sector investments, or Debt2Health agreements.

How much should go into my prioritized above allocation request?

The general guidance is the prioritized above allocation request should represent at least 30-50 percent more than the allocation amount (unless otherwise advised by a Global Fund country team).

Is program split the same process as last time?

Applicants will follow a similar program split process as in the first allocation period:

- Countries are informed of their overall allocation, and an indicative amount for each eligible disease component (program split) in an Allocation Letter;
- Applicants use a documented and inclusive process to confirm or revise the program split. This needs to be completed before the submission of the first funding request or the program continuation request;
- Funding for resilient and sustainable systems for health should be earmarked from the overall allocation, but does not need to be noted in the program split unless a standalone resilient and sustainable systems for health funding request will be submitted;
- Funding request can be submitted to the Global Fund Secretariat as an integrated application or separately for each disease component. Integrated funding requests for more than one eligible country component are encouraged, or simultaneous submissions of individual funding requests at the same time;
- Countries are strongly encouraged to discuss resilient and sustainable systems for health funding upfront, and develop a comprehensive approach to requesting funding for cross-cutting resilient and sustainable systems for health investments.
- Countries are requested to apply for resilient and sustainable systems for health funding in **one application** (either with a disease or separate resilient and sustainable systems for health funding application), ensuring that it covers the needs of all eligible diseases. Ideally this would be included with the first funding request submitted by an applicant.

- The program split can continue to be revised until grants are approved by the Board, provided the CCM discusses and votes on any new split and submits an updated program split confirmation.

Can countries that submit a joint application (for example TB-HIV) still redistribute funding among the three diseases?

Yes. Countries have the flexibility to decide how their country allocation will be split between the eligible disease components and resilient and sustainable systems for health, even with a joint application. The Country Coordinating Mechanism should agree on a final split, before the first submission of the first funding request to the Global Fund. This split can then be adjusted during grant-making, until grants are Board-approved. Once a disease component has a Board-approved grant then the allocation for that component is fixed.

What does the increased focus on resilient and sustainable systems for health mean?

Building resilient and sustainable systems for health (formerly referred to as health systems strengthening interventions) are crucial to ensure people have access to effective, efficient, and accessible services through well-functioning and responsive health and community systems. The Global Fund expects each applicant to critically examine their health system and identify areas that need strengthening in order to become more resilient and sustainable and enable effective delivery of disease programs.

The revised Eligibility Policy and application focus requirements encourage targeted investments in RSSH in all countries, with broader focus at the lower end of the development continuum and more targeted focus in areas critical to sustainability at the upper end.

Global Fund's new strategy seeks to build resilient and sustainable systems for health by:

- Investing in strengthened community responses and systems;
- Supporting programs focused on reproductive, women's, children's, and adolescent health, and platforms for integrated service delivery;
- Strengthening global and in-country procurement and supply chain systems;
- Leveraging critical investments in human resources for health;
- Strengthening data systems for health and countries' capacities for analysis and use;
- Strengthening and aligning to robust national health strategies and national disease-specific strategic plans;
- Strengthening financial management and oversight.

What are application focus requirements and what has changed?

Application focus requirements, previously part of the Global Fund Eligibility Policy, are also now part of the Sustainability, Transition and Co-financing Policy. They have been updated to reflect the direction of the new Global Fund strategy. These requirements emphasize the need for all funding requests to include evidence-based interventions, in line with their epidemiological context, which will maximize impact against the diseases and contribute towards building RSSH.

All applicants should include, as appropriate, interventions focused on key and vulnerable populations, and address human rights and gender-related barriers and vulnerabilities.

Applicant focus requirements and key changes:

- 1) Lower income countries (LIC) are strongly encouraged to include RSSH interventions in funding requests;

- 2) Lower middle income countries (LMIC) are still required to focus 50 percent of their funding request on maintaining or scaling-up interventions for key and vulnerable populations and/or highest impact interventions within a defined epidemiological context;
- 3) Upper-middle income countries (UMIC) must focus 100 percent of their funding request on maintaining or scaling-up interventions for key and vulnerable populations. They may also include new technologies or innovations that represent global best practice. Regardless of disease burden, UMIC can include RSSH interventions that are critical for ensuring transition readiness. UMIC with an extreme burden can request funding for key program components, as long as they do not replace existing domestic funding for these interventions.

Can current Global Fund grant funds be used to pay for support for country dialogue and the preparation for developing a funding request?

Yes, current Global Fund grant funds can be reprogrammed to fund technical assistance for country dialogue and funding request preparation. There is a maximum amount of \$150,000 per eligible disease component that can be reprogrammed for this type of technical assistance, in areas such as National Strategic Plan development, convening multi-stakeholder meetings, collecting health financing data, etc. For questions on the reprogramming process, please contact the relevant Fund Portfolio Manager.

Can Global Fund grant funds be used to pay for consultant or technical assistance costs for drafting funding requests?

No, Global Fund grant funds cannot be used for consultant or technical assistance costs to draft or write a funding request.

The Review Process

What role will the Technical Review Panel play in the next funding cycle?

The Technical Review Panel (TRP) will continue to review new funding requests and material reprogramming in an independent and transparent way. However, they will apply a high degree of differentiation in the scope and depth of the process.

How has the Technical Review Panel changed?

The review criteria and processes of the Technical Review Panel (TRP) have been revised to align with the new Global Fund strategy and the differentiated application process. The Technical Review Panel expertise has been also expanded to include more experts on resilient and sustainable systems for health, human rights and gender equality, as well as cross-cutting issues, in order to further align the TRP knowledge base with the new strategy.

What role will the Grant Approvals Committee play in the new funding cycle?

The Grant Approvals Committee (GAC) will continue to decide on a final level of funding for all funding requests, which are then submitted to the Global Fund Board for approval. For the 2017-2019 allocation period, the 'GAC 1' meeting before grant-making will no longer be required unless specifically requested by a Global Fund country team.

Grant-making

What is new during the grant-making stage?

Capacity Assessment Tool (CAT): Previously, a Capacity Assessment was required for each Principal Recipient (PR) prior to signing a grant with them. For the coming allocation period, only new PRs, or existing PRs that will implement new activities they have not been previously assessed for, will undergo a capacity assessment.

Audit Arrangements: Previously, it was mandatory to submit finalized audit arrangements as part of grant-making. Under the next allocation period, this will no longer be mandatory. It should, however, be finalized within three months of signing the grant agreement.

Performance Framework for Focused Countries: Under the differentiated approach, Focused countries will maintain a performance framework that has a reduced number of indicators and work plan tracking measures. This is to facilitate the reporting and management of grants, while focusing attention on implementation and achievement of results.

Reprogramming

When can I reprogram my grants?

Reprogramming may occur at different stages of the grant-lifecycle in order to promote greater flexibility and impact of investment. All countries should consider reprogramming, as appropriate, during the funding request stage and if needed, during grant-making. The timing of a reprogramming request during grant implementation depends on a country's portfolio category:

Portfolio Category	When a reprogramming may be submitted during implementation
Focused	Once a year during grant implementation, if warranted by program context
Core	Any time during grant implementation, if warranted by the program context.
High Impact	Any time during grant implementation, if warranted by the program context.

For more information on reprogramming refer to the Operational Policy Note on Reprogramming during Grant Implementation which can be found in the Operational Policy Manual⁸.

How do I know if I belong to a Focused, Core or High Impact country?

As part of the implementation of differentiation principles, the Global Fund Secretariat has categorized countries in three categories and tailored grant management requirements and support accordingly. The categories are primarily defined by size of portfolio allocation and risk profile. The current list is available in the Global Fund Operational Policy Manual⁹ and may be updated periodically. Any change will be promptly communicated to relevant countries.

⁸ https://www.theglobalfund.org/media/3266/core_operationalpolicy_manual_en.pdf

⁹ https://www.theglobalfund.org/media/3266/core_operationalpolicy_manual_en.pdf

Sustainability, Transition and Co-financing

How do co-financing requirements relate to the funding request and what has changed?

A new co-financing (formerly known as ‘counterpart financing’) policy was approved in April 2016 as part of the new Sustainability, Transition and Co-financing Policy¹⁰. Its purpose is to incentivize domestic investments in line with national priorities, epidemiological context, and fiscal capacity.

The policy is differentiated along the development continuum to account for diverse country contexts. At the lower end of the continuum, emphasis is more on domestic investments to build RSSH and move towards universal health coverage. As countries move along the continuum, expectations are for progressively higher co-financing of disease programs and key program components, to ensure sustainability and eventual successful transition from Global Fund financing.

Key changes to co-financing requirements:

- A focus on progressively increasing government expenditure on health, particularly in high burden countries with a low prioritization of spending on health and/or low capacity for domestic revenue capture¹¹ through implementation of robust health financing strategies to meet universal health coverage goals;
- Requiring all countries to demonstrate the progressive absorption of key program components, such as recurrent human resources, procurement of essential drugs and commodities, and programs that address human rights and gender related barriers and programs for key and vulnerable populations;
- With its focus on progressive increases in domestic financing, the minimum threshold requirement for co-financing is removed;
- Requiring engagement with key stakeholders, such as Ministries of Finance, and putting in place mechanisms for annual monitoring of co-financing requirements;
- A co-financing incentive of not less than 15 percent of the Global Fund allocation for each eligible component will be available to countries upon demonstrated increases in co-financing in priority areas of the disease program and/or related RSSH investments. The requirements to access this incentive depend on a country’s economic capacity and disease burden;
- Greater flexibility to engage on co-financing issues depending on fiscal situation, disease burden, transition requirements, regional and other operating contexts, including challenging operating environments.

Country Coordinating Mechanisms

How have Country Coordinating Mechanism eligibility and performance assessment requirements changed?

The six eligibility requirements with which CCMs must comply remain unchanged for the 2017-2019 funding cycle. However, there are now three different approaches to conduct the annual CCM eligibility and performance assessment (related to eligibility criteria three to six) prior to the

¹⁰ https://www.theglobalfund.org/media/4221/bm35_04-sustainabilitytransitionandcofinancing_policy_en.pdf

¹¹ Particularly in countries where health expenditure accounts for less than 8 percent of government expenditure and/or tax revenues are lower than 15 percent of GDP.

submission of a funding request to the Global Fund Secretariat: Standard, Light and Superlight. For additional information see online information on [CCM guidelines](#).

CCMs will be informed of their assessment approach by their Fund Portfolio Manager.

What documentation do I need to provide to demonstrate compliance with Eligibility Requirement one and two?

At the funding request submission stage, the Secretariat will conduct a screening of CCM eligibility criteria one and two, related to the inclusive funding request development process and the open and transparent Principal Recipient selection process.

The Secretariat has categorized CCMs into one of the following types of review: standard or light review, based on the outcomes of the annual Eligibility and Performance Assessment tool (related to eligibility criteria three to six) and additional contextual information from the Global Fund's Community Rights and Gender Department.

The documentation requested to demonstrate compliance with eligibility criteria one and two varies according to a CCM's type of review. However, standard documentation will be required to demonstrate compliance with eligibility criteria two if the CCM is proposing a new Principal Recipient, or a returning Principal Recipient with a most current performance rating of B2 or lower.

CCMs will be informed of their review type, and the corresponding required documentation, for eligibility criteria one and two in their 2017-2019 allocation letters.

What role does country dialogue play in the next funding cycle?

Country dialogue should continue throughout the grant lifecycle. Before grants are signed, country dialogue ensures the development of the funding request and its implementation are connected to the larger context of the country's health sector and disease strategies, effectively engages civil society and key and vulnerable populations, and articulates how impact will be maximized through the Global Fund investment. Inclusive country dialogue remains an essential feature and eligibility requirement for the next funding cycle.

Human Rights, Gender and Key Populations

How will the Global Fund promote investments in programs for key populations?

The Global Fund strategy for 2017-2022 commits to scaling up evidence-based interventions for key and vulnerable populations, as well as supporting their meaningful engagement in Global Fund-related processes. As an example of this, the new allocation methodology includes qualitative adjustment factors that aim to reflect the needs of key populations.

Application focus requirements, previously part of the Global Fund Eligibility Policy, are now included in the Sustainability, Transition and Co-financing Policy. All applicants should include, as appropriate, interventions that respond to key and vulnerable populations, as well as address human rights and gender related barriers and vulnerabilities in access to services. Lower-middle income countries must focus at least 50 percent of their funding request on key and vulnerable populations and/or highest impact interventions. Upper-middle income countries must focus 100 percent of their funding request on interventions that maintain or scale-up evidence-based interventions for key and vulnerable populations.

Why does the Global Fund strategy include a focus on human rights and gender?

Human rights barriers, including stigma and discrimination, undermine an effective response to the three diseases. Promoting and protecting the rights of people living with and affected by the diseases – including the rights of women, children, adolescents and youth, as well as members of key and vulnerable populations – is essential. This not only reduces the personal impact of living with the diseases, but also helps to create an enabling environment that encourages people to take up and use services. Addressing gender inequality and age-related disparities is essential for driving down infection rates, and reducing barriers to health and social services.

Global Fund's new strategy will promote and protect human rights and gender equality by:

- Scaling-up programs that support women and girls, including programs to advance sexual and reproductive health and rights;
- Investing to reduce health inequities including gender- and age-related disparities
- Introducing and scaling-up programs that remove human rights barriers to accessing HIV, TB and malaria services;
- Integrating human rights considerations throughout the grant cycle and in policies and policymaking processes;
- Supporting meaningful engagement of key and vulnerable populations and networks in Global Fund-related processes.

Catalytic Investments

What are catalytic investments?

Catalytic investments aim to leverage country allocations to maximize impact in line with the aims of the 2017-2022 Strategy. They have been defined in partnership with WHO, UNAIDS, Stop-TB, Roll Back Malaria among others. Catalytic investments are the funding modality for approaches beyond (in addition to) country allocations and they represent the evolution of incentive funding, regional funding and special initiatives for the next allocation period.

Catalytic investments aim to incentivize the use of country allocations for strategic priorities, including for key and vulnerable populations, adolescent girls and young women, and programs that address gender- and human rights-based barriers to health care, and contributing to resilient and sustainable systems for health. Catalytic investments are also aimed at funding multi-country approaches and strategic initiatives, such as the Community, Rights and Gender and Emergency Fund strategic initiatives, that cannot be funded through allocations due to their cross-cutting, innovative or off-allocation cycle nature.

Who is eligible for catalytic investment matching funds?

Eligible countries have been informed in their allocation letters if they are able to access matching funding, as well as the specific strategic priorities for which they can access these funds. The allocation letter also specifies the additional funding amount that is potentially available to the applicant as matching funds.

How do I request matching funds?

The matching funds application form requests applicants to justify how they qualify for the matching funding. The form consists of three questions and asks applicants to demonstrate compliance with the following criteria:

1. The program associated with the 2017-2019 allocation includes interventions/activities that directly support the designated strategic priority area;
2. The allocation investment in the priority area is higher than in the previous allocation period (2014-2016);
3. Funding within the 2017-2019 allocation invested in the strategic priority area is equal to, or more than, the matching funds requested (i.e. at least a 1:1 ratio);
4. The programs proposed under matching funds have clear potential to accelerate progress in the relevant strategic priority area and to maximize impact of the overall program.

Matching funds forms and guidance are available on the website [here](#).

When do I request matching funds?

Applicants are encouraged, where possible, to submit the matching funds request with the allocation funding request. Submitting the application for matching funds alongside the allocation funding request will enable applicants to clearly demonstrate how the additional matching funds are linked to and will be used to maximize the effectiveness and impact of programs proposed within the allocation request.

If a country cannot submit its matching funds application at the time of submission of the allocation funding request, it may do so during grant-making or implementation. If a grant is already in implementation when matching funds are approved, the amount approved will be integrated into the grant as incremental funding.

How can an applicant eligible for program continuation prepare a matching funding request when this requires changing the program and/or budget?

In the matching funds request, applicants are required to outline if any reprogramming of the existing program is envisaged to increase investment in the relevant strategic priority area(s) to maximize impact. Importantly, if the program adjustments necessary to meet the conditions for matching funds constitute a ‘material reprogramming’, a funding request tailored to material change will have to be submitted in lieu of a program continuation request. Applicants should consult their Fund Portfolio Manager for guidance if they have questions related to material/non-material reprogramming.

What happened to regional grants?

During the 2014-2016 funding cycle the Global Fund made a distinction between multi-country grants (typically groups of small island economies funded through country allocations) and regional grants (which brought together a number of countries or regions and were funded through a separate pool of funds). For the 2017-2019 cycle, we refer to both these cases as multi-country grants.

How will multi-country grants be funded?

Groups of applicants with allocation funding can still pool their individual allocations and submit a single multi-country funding request. Contact your Country Team for more information on submitting a pooled application.

Applications for strategic multi-country or regionally focused programs will be funded through catalytic investments. The Global Fund Board has determined US\$ 272 million in catalytic funding will be invested in strategic multi-country programs in specific priority areas. These priority areas are:

- HIV - Key populations sustainability and continuity – US\$ 50 million
- TB - Multi-country responses in TB in mining, migrant and mobile populations, regional laboratory initiatives, and MDR-TB introduction of policies– US\$ 65 million
- Malaria: Elimination in Southern Africa and Mesoamerica and RAI in the Greater Mekong – US\$ 145 million
- RSSH - PSM Strengthening: developing local resources for countries – US\$ 12 million

Information on when and how to access strategic multi-country funding will be made available by June, 2017.

Annex 1: List of Documents to be Submitted with the Funding Request

The documentation and level of detail required for a funding request differs, depending on the application approach. Applicants should consult the appropriate funding request templates and instructions on the Global Fund [website](#) for information on specific documentation submission requirements. Below is a summary of documents that must be submitted at the funding request stage for the different application approaches:

Program Continuation

- Program Continuation Request cover letter signed
- Program Continuation Self-Assessment
- Annex 1: Checklist to confirm inclusiveness of key and vulnerable populations in development of Program Continuation Request
- Relevant supporting documentation (optional)
- The following documents can be submitted with the Program Continuation Request, during grant-making or grant implementation:
 - Prioritized Above Allocation Request (encouraged from all applicants)
 - Matching Funds Request (if relevant)

Tailored for Transition

- Funding Request Application Form
- Programmatic Gap Table(s)
- Funding Landscape Table(s)
- Performance Framework
- Budget
- National Strategies (Health Sector and Disease specific)
- Transition Work-Plan
- Implementation Arrangements Map
- List of Abbreviations and Annexes
- Country Coordinating Mechanism Eligibility Requirements documentation:
 - Country Coordinating Mechanism Eligibility Narrative
 - Statement of compliance (if Country Coordinating Mechanism has been categorized to go through a 'light' review) or supporting documents
- Country Coordinating Mechanism Endorsement of Funding Request
- All supporting documentation referenced in the funding request
- List of Health Products (applicable where funding is requested to cover health products and/or associated management costs. Required at funding request stage for High Impact countries. Optional at the funding request stage for Core countries. Not required at funding request stage for Focused countries)

Tailored (for Material Change, Challenging Operating Environments, National Strategy-Based Pilots) and Full Review:

- Funding Request Application Form
- Programmatic Gap Table(s)
- Funding Landscape Table(s)
- Performance Framework
- Budget
- List of Health Products (if applicable)
- National Strategies (health sector and disease specific)
- List of Abbreviations and Annexes

- Country Coordination Mechanism Eligibility Requirements documentation:
 - Country Coordinating Mechanism Eligibility Narrative
 - Statement of compliance (if Country Coordinating Mechanism has been categorized to go through a 'light' review) or supporting documents
- Country Coordinating Mechanism Endorsement of Funding Request
- Supporting documentation only if referenced in the funding request
- Implementation Arrangements Map (optional)

Annex 2: Differentiation Principles for Access to Funding

1. **Differentiated level of independent review**
The TRP will continue to be engaged in the independent assessment for funding requests, but with a high degree of differentiation in the scope and depth of the process.
2. **Country ownership**
The access to funding process will continue to build on national systems and strategies, mechanisms for co-financing and engagement of in-country stakeholders, including key and vulnerable populations, communities and civil society.
3. **Tailored process for application and review of funding requests**
Process and methodology by which funding requests are submitted and reviewed will be: (i) evidence informed, building on challenges, results and impact of previous implementation periods; (ii) tailored to different contexts including epidemiology, operating environment, transition stage, fiduciary and programmatic risks, etc.; (iii) take into consideration material change
4. **Simplification and refocusing on implementation**
The access to funding process should be sufficiently light and tailored to different contexts, to facilitate effective investment and use of GF resources to achieve the highest impact in line with the new strategy, rebalancing the time from concept note development towards program implementation.
5. **Focused and timely reprogramming for greater strategic focus and impact**
Encourage and facilitate reprogramming at any time during the grant life cycle for greater impact, and not only during the application process.
6. **Streamline and refocus on key information for decision making**
Documentation requirements should be tailored to essential information needed for effective review and funding decision-making, building on existing national and portfolio information.