

# Frequently Asked Questions

## 2017-2019 Allocation Period

December 2016

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### Allocations

#### **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.

#### **Why has the Global Fund adopted a new allocation methodology for the 2017-2019 allocation period?**

The Global Fund's allocation methodology has been refined to deliver on the goals of the 2017-2022 Strategy: Investing to End Epidemics and builds on lessons learned from the 2014-2016 period. The aim of the allocation-based funding approach is to increase the impact of programs to prevent, treat and care for people affected by HIV, TB and malaria, and build resilient and sustainable systems for health.

#### **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 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.

## **Why have some countries been allocated more or less than the last period?**

For the 2017-2019 allocation period, country allocations are for three years only. The allocations communicated in 2014 were for a four-year period due to the transition from the rounds-based funding approach.

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 populations disproportionately affected by the three diseases. The new methodology is applied to the total funding available for country allocations in the 2017-2019 allocation period, and this determines the allocations that countries receive. Across the portfolio some country programs see funding increases, and others decreases.

## **Can a country request a revision of its allocation amount?**

There is no scope for revising the allocations or requesting a “shortened grant” using the full allocation amount during the 2017-2019 allocation period. However, countries are encouraged to include a prioritized above allocation request in their funding application which may be funded either through efficiencies or portfolio optimization if funding is available. These above allocation requests will go on to the Unfunded Quality Demand (UQD) register upon the review and recommendation of the Technical Review Panel.

## **What will be the overall impact of the refined methodology?**

The refined methodology strives to scale up funding beyond current and projected spending levels in countries with highest burden and lowest economic capacity and to priority strategic areas. Key priority areas include countries with a disproportionality high HIV burden among adolescent girls and young women, countries with a high burden of multidrug-resistant TB and the top 15 high burden malaria countries. To achieve this, the methodology balances increases of funding in some countries with sustainable and paced reductions in others. It also specifically accounts for HIV epidemics among key populations, the threat of MRD-TB, and malaria elimination efforts.

## **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.

### **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 resources are apportioned globally among the three diseases based on the following distribution agreed by the Global Fund Board:

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

## Eligibility

### **Who has received the 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.

### **How is eligibility for funding determined?**

There is an updated Eligibility Policy available on the Global Fund [website](#). Eligibility for Global Fund financing is still based on two 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. Note that eligibility for Global Fund financing does not guarantee an allocation.

### **Eligibility determinations are updated annually. How will that affect an allocation for a country that becomes eligible or ineligible during the allocation period?**

Eligibility is determined by a country's income level and official disease burden data provided by technical partners prior to the start of each allocation period. A country or program that becomes eligible during an allocation period may be eligible to receive an allocation, subject to the availability of funding, only after being eligible for two consecutive eligibility determinations.

A country or program that becomes ineligible during an allocation period before accessing their funding allocation will not forfeit their allocation. However, the Global Fund may adjust the level of funding.

## Requesting Allocated Funding

### **Does the timing of my new grant need to match the allocation period of 2017 to 2019?**

The allocation period refers to the period during which eligible countries can access their allocation funding. For the three-year period that begins in January 2017, all grants will need to be approved by the Global Fund Board by the end of 2019. However, the start date of grants varies across countries. The allocation for 2017-2019 provides a three-year amount of grant funding to be utilized

over a three-year period starting immediately after the original end date of current grants from the 2014-2016 allocation period.

### **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 2014-2016 and 2017-2019 allocation periods 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 original end date of current grants from the 2014-2016 allocation period.

Funding request documentation for program continuation will be required for the first [Technical Review Panel \(TRP\) review window](#).

### **Which applicants should apply for funding first?**

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.

### **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.

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

All allocations will be available for use over a three-year period, starting immediately after the original end date of current grants 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) and 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 during the 2014-2016 allocation period as the Global Fund transitioned from the rounds-based to the allocation-based funding model.

Going forward, the each 3-year allocation amount represents the amount that is available for use over a corresponding 3-year period, determined for each country component based on the original end date of the current grant. As such, unused funds remaining at the original end date of grants from the 2014-2016 allocation period 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 allocation periods 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 original end date of current grants from the 2014 – 2016 allocation period. 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.

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

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

The qualitative adjustment process also considered 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 current and projected levels of spending from the 2014-2016 allocation period.

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

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

Applicants are no longer required to include a full expression of demand in their funding request. Instead, a prioritized, costed request for additional funding beyond the allocation is now encouraged in all funding applications. 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 strategically focused, technically sound interventions with potential for impact will be registered as ‘unfunded quality demand’.

This ensures countries have technically sound and strategically focused interventions to integrate into programs when funds 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.