

GUIDELINES ON THE EMERGENCY FUND SPECIAL INITIATIVE

1. Purpose of the Guidelines

1.1 These Guidelines define the approach for operationalizing the Emergency Fund Special Initiative, including objectives and features of the special initiative, requirements and process for applying for emergency funds and managing grants financed through the special initiative.

1.2 The primary audience of these Guidelines are recipients and implementers of Global Fund grants (collectively, the “PR”), technical partners and Global Fund Country Teams (the “Country Team”).

1.3 These Guidelines have been developed based on the general parameters under which the Global Fund Board approved the Emergency Fund Special Initiative in March 2014¹, the high level guidance developed with internal and external inputs in November 2014, as well as lessons learned from the applications that have been processed and approved to date. These Guidelines will continue to be updated based on additional lessons learned.

2. Objectives of the Emergency Fund

2.1 Emergency situations have severe local and regional consequences on health in general, including on HIV/AIDS, tuberculosis and malaria.

2.2 The Emergency Fund seeks to provide quick access to funds and greater flexibility to enable the Global Fund to fight the three diseases in certain emergency situations. The purpose of the Emergency Fund is to support the provision and continuity of essential prevention and treatment services for HIV/AIDS, tuberculosis, and malaria during emergency situations that cannot be funded simply through the reprogramming of existing grants.

¹ Approved by the Board under decision point [GF/B31/DP06](#), and as set forth in GF/B31/08A – Revision 1.

During emergency situations, the response to the three diseases is affected in several ways:

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| <ul style="list-style-type: none">• Risk of discontinuation of ART/ Anti-TB/ Anti-malarial putting lives in danger and promoting risk of resistance.• Inability to detect new cases due to lack of diagnostic capacity and lack of quality assurance mechanisms.• Risk of communicability of Malaria and TB due to overcrowding in IDP camps.• Disruption of prevention services leading to risk of new HIV infections. | <ul style="list-style-type: none">• Increased vulnerability due to risk of sexual exploitation and sexual violence.• Lack of adequate data to understand, plan and guide disease response.• Influx of refugees to neighboring countries straining weak health systems. |
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2.3 In such cases, the PR and Country Team may work to reprogram existing Global Fund grants to prevent gaps or disruptions to treatment and service delivery. In some cases, however, this may not be possible especially when the emergency involves cross-border displacement, or where the reprogramming process would be lengthy due for example to the need to identify savings or redirect resources. Furthermore, normal humanitarian channels may take too long to mobilize and may not possess the resources required to prioritize the three diseases. In these cases, additional funds from the Emergency Fund may be necessary.

3. Features of the Emergency Fund

3.1 The Global Fund Board has approved **US\$ 30 million** for the Emergency Fund initiative over the 2014-2016 allocation period². The Emergency Fund will be used to support the provision and continuation of essential prevention and treatment services during emergency situations. The Emergency Fund is administered by the Global Fund Secretariat, and has a separate application process.

Eligible Countries

3.2 To access funding from the Emergency Fund, the country must be facing a Level 2 or 3 emergency, as classified by the Inter-Agency Standing Committee (IASC)³ or a WHO classified Grade 2 or 3 emergency⁴.

3.3 For such countries, the [Eligibility and Counterpart Financing Policy](#) (ECFP) will be applied in such a way that as long as the targeted populations in the country where they originally resided are eligible to receive Global Fund financing, the Emergency Fund can be accessed. This includes the case where targeted populations, due to the emergency situation, may have migrated or otherwise been displaced from an eligible country to a country that is ineligible to receive Global Fund funding (*e.g. Syrian refugees in 'ineligible' neighboring countries like Lebanon, Jordan and Turkey*).

² Decision Point GF/B31/DPO6, Special Initiatives.

³ The UN uses the Inter-Agency Standing Committee (IASC) emergency classifications.

⁴ The grading is announced officially throughout WHO from the Regional Director in Grade 2 and the Director General in Grade 3. This grading relates to the health impact of the emergency situation.

Eligible Activities

3.4 The Emergency Fund aims to focus on the provision of essential prevention and treatment activities related to the three diseases. These activities may include, but are not limited to:

- ensuring continuity of ART and tuberculosis treatment among the displaced and affected populations;
- supporting preventive measures, especially indoor residual spraying and long-lasting insecticidal nets (LLINs) among the displaced, and those affected in malaria endemic/epidemic areas;
- supporting risk and situation assessments of the three diseases and related health systems functionality.

3.5 The Emergency Fund should be used to procure and distribute health products⁵, and limited to operational costs of service delivery and staffing requirements during emergency situations, within reasonable ranges in comparison to the requested emergency funding.

3.6 The Emergency Fund cannot be used for general humanitarian purposes, as it was not approved as a measure to expand the Global Fund beyond its mission and mandate. The Emergency Fund is to facilitate the fight against the three diseases in certain emergency situations.

Amount and Length of Funding

3.7 Funding under the Emergency Fund will be short-term and time-bound of up to twelve month period. During implementation, an extension of up to six months may be granted on an exceptional basis if the case is strongly justified, there are savings from the Emergency Fund grant to finance the extension, and if there are no alternative mechanisms available to continue and sustain the emergency response.

3.8 Applicants are expected to integrate activities into other mainstream programs or regular Global Fund grants upon the expiry of the Emergency Fund financing. Therefore, applications need to factor for longer-term sustainability plans beyond the emergency project term, and such plans will be assessed by the Secretariat's Executive Grant Management Committee (the "EGMC") in its review of the emergency funding request.⁶

Implementers of Emergency Fund grants

3.9 Implementers of grants financed through the Emergency Fund must have experience in implementing Global Fund grants as well as responding to emergencies. The Global Fund Secretariat determines the most appropriate implementer to respond to an emergency situation.

3.10 Implementers may be existing Principal Recipients or Sub-Recipients or one of the international organizations that have been pre-qualified by the Global Fund to implement grants financed through the Emergency Fund.

3.11 As part of launching the Emergency Fund, the Global Fund invited international organizations experienced in implementing Global Fund grants and working on emergency responses to submit an Expression of Interest to be pre-qualified as potential implementers for programs financed through the Emergency Fund. The Global Fund has undertaken a first round of pre-qualification (please refer to **Annex 1** for more information on the pre-qualification process).

⁵ Depending on the local context where the Emergency Fund grant shall be implemented, security arrangements for transport, storage and distribution of drugs and services may be covered by the grant.

⁶ Activities can be continued, on an exceptional basis, only through a new application.

Channels of Funding

3.12 The request for emergency funding should be the outcome of a dialogue process between the Country Team and in-country partners involved in the emergency response. Project documents are then submitted by proposed implementers to the Country Team.

3.13 The Emergency Fund can be channelled either as (i) additional incremental funding to an existing grant, or (ii) a new grant. The decision on which channel to use should be guided by the quickest and most efficient approach for responding to the emergency situation.

3.14 Below are indicative scenarios that may be used as guidance:

- **Additional incremental funding topping up an existing grant:**

The existing grant may be used as the main vehicle for an emergency response in the following situations:

- ❖ When the activities needed for the emergency response are already being implemented under the existing grant, and only need to be adjusted or expanded to better respond to the emergency situation;
- ❖ The PR and/or existing implementation arrangements are deemed adequate for the emergency response;
- ❖ The required emergency activities can be implemented by a third party contracted by the PR as a Sub-Recipient or procurement agent.

- **A new grant:**

A new emergency fund grant may be signed in the following situations:

- ❖ When the activities needed for the emergency response are not implemented under the existing grants, and adding to the existing grant will require a lengthy reprogramming process;
- ❖ The PR and existing implementation arrangements are deemed inadequate for the emergency response and cannot deliver the required services; or
- ❖ When the emergency response needs to reach populations that have been displaced in neighboring countries that are not eligible for Global Fund funding.

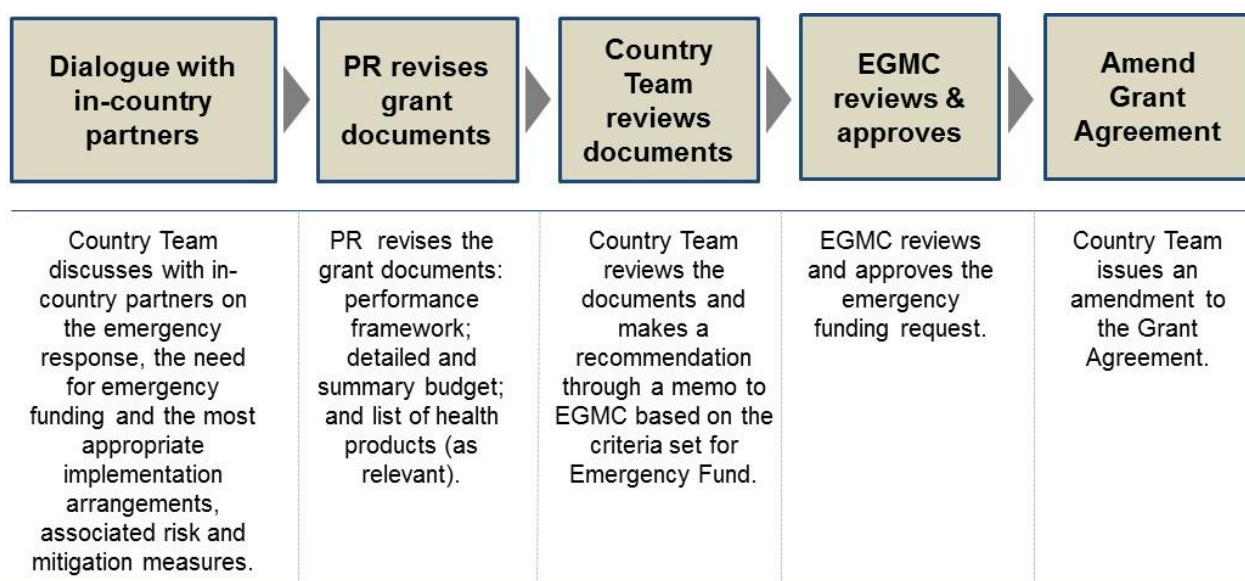
4. Applying for Emergency Fund Support

4.1 When an emergency occurs, the Country Team should engage early with in-country partners who are involved in the emergency response to determine the impact on the three diseases and the appropriate response.

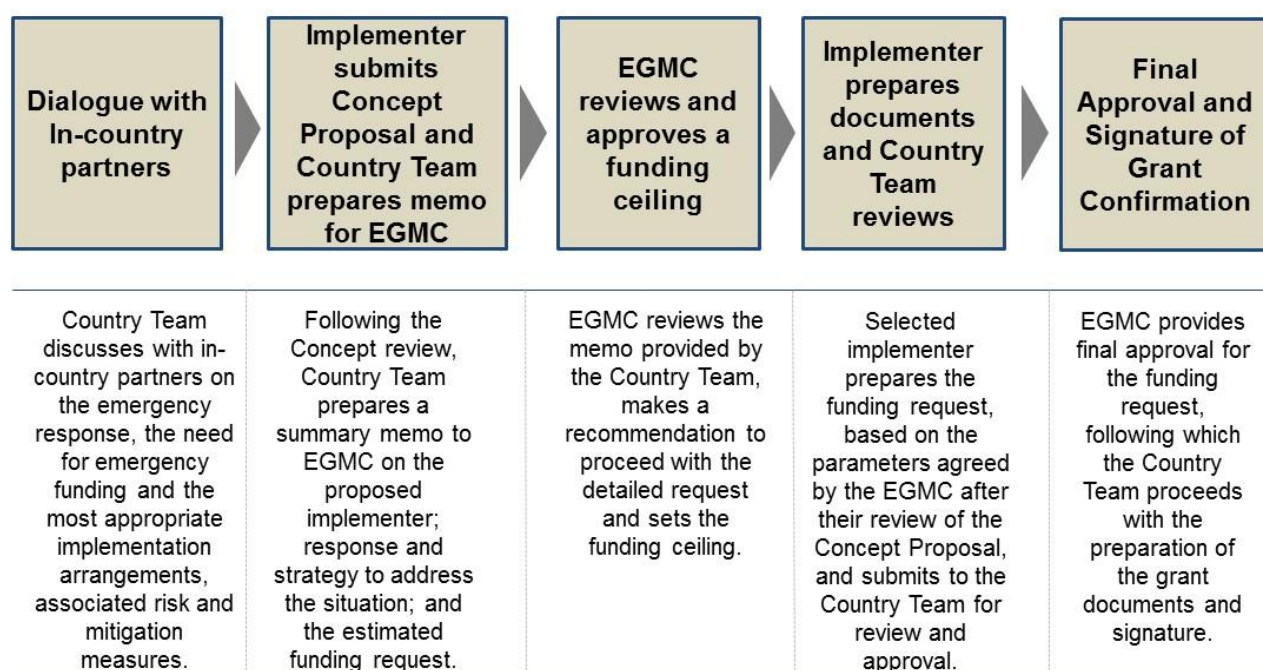
4.2 Requirements related to the emergency response should be accommodated whenever possible under the existing grants by identifying savings or re-allocating resources through reprogramming. This can facilitate a faster response to the emergency and ensure emergency activities are implemented as part of national programs where possible. An application for emergency fund should be considered only when the emergency response cannot be funded through reprogramming of an existing grant.

4.3 Once the Country Team establishes the need for emergency fund support, it determines the most appropriate channel and implementation arrangement, which then defines the applicable application process. The Country Team and implementers should work together to define the required emergency response and finalize required documents to facilitate a quick emergency fund application and review process. It is critical that emergency response start soonest.

Scenario 1: Top-Up to an Existing Grant



Scenario 2: New Grant



4.4 The EGMC reviews and approves requests for Emergency Fund support against the following criteria:

- Clear articulation of the emergency situation and the impact on the three diseases;
- Appropriateness of the proposed interventions to the emergency situation;
- Suitability of selected implementer and implementation arrangements;
- Identified risks and mitigation measures;
- No duplication of efforts - interventions are not financed by other donors or cannot be financed effectively from the Global Fund country allocation through re-programming of existing grants.

- Exit strategy ensuring the sustainability of the program after the end of the emergency funding and integration of the emergency activities into other ongoing programs (including Global Fund grants) or to be funded by other donors, as soon as possible.

Annex 2 provides details on the documentation requirements for requesting Emergency Fund support.

5. Managing Emergency Fund Grants

Top-Up to an Existing Grant

5.1. When the Emergency Fund support is used as incremental funding to an existing grant, this is managed in the same way as the standard grant with some flexibilities to ensure that the emergency support is implemented in a rapid manner.

5.2 **Funding Decision and Disbursements:** In most cases, the emergency funding will be committed to the grant through a supplementary funding decision (unless the approval of the emergency funding coincides with a scheduled annual funding decision). Emergency funding may be disbursed once if there are not enough cash balance with the PR to cover the emergency response.

5.3 **Progress Reporting:** Activities funded through the Emergency Fund are reported under the Progress Update/Disbursement Request (PU/DR), along with the rest of the existing grant activities. The Local Fund Agent (LFA) may verify emergency activities and related expenditures as part of their verification of other activities and results reported in the PU/DR.

5.4 **Reprogramming:** Budgetary and programmatic changes related to Emergency Fund financing will be processed following Global Fund standard process (with allowable tailoring).

5.5 **Grant Closure:** The closure of the components financed under the Emergency Fund will happen as part of the closure of the existing grant using the relevant closure approach. However, if there are unspent funds from the emergency financing amounting to US\$ 1 million or 20% of the approved emergency funding amount, such unspent funds should be returned to the Emergency Fund pool.

New Grant

5.6 When the emergency funding is implemented as a separate new grant, the management approach is not tied to the Global Fund's standard procedures. Hence, the grant can be managed more flexibly. The following provides a general approach for managing emergency fund grants with possibility to further tailor the approach based on the context of the situation:

5.7 **Annual Funding Decision and Disbursements:** The annual funding decision and disbursement can be processed following the simplified first funding decision process. The full amount may be disbursed once.

5.8 **Progress Reporting:** PR will submit a report on the progress achieved under the Emergency Fund grant covering the first six months of implementation, due 45 days after the reporting period. There is no prescribed reporting template, however the expectation is that the following information is provided:

- Project overview;
- Self-assessment of programmatic and financial performance;
- Details of results achieved against set targets; and
- Cash reconciliation (with funds received from the Global Fund, any interest received on bank account, and total expenses for the period).

5.9 **Verification:** Country Team may request the Local Fund Agent or an alternative service provider to verify the results reported and/or undertake spot checks during implementation.

5.10 **Procurement:** Procurement will follow Global Fund approved mechanisms that ensure quality goods and commodities arrive in-country, on time. Health products that will be procured through the Emergency Fund have to comply with the Global Fund quality assurance policies.

5.11 **Reprogramming/Budgetary Changes:** Programmatic changes and budget re-allocation that will result to changes to approved performance framework and high level budget will need to be discussed and approved by the Global Fund.

5.12 **Extension:** An extension of up to six months to be financed from savings (“non-costed extensions”) may be granted on an exceptional basis if the case is strongly justified and there are no alternative mechanisms available to continue and sustain the emergency response. Extensions are approved by the Regional Department Head. The following documents are required for the extension request:

- Request for extension from the implementer;
- Revised budget;
- Revised Performance Framework or targets as applicable; and
- Country Team review of the extension request and the justification (including assessment of why the emergency response cannot be integrated in existing programs);
- The draft revised Implementation Letter.

Additional funding from the Emergency Fund cannot be requested through an extension. Request for additional funding from the Emergency Fund should be submitted through a new application and would be reviewed following the Emergency Fund application process, considering progress and achievements from the initial application and medium and long-term sustainability plans for the emergency response.

5.13 **Grant Closure:** The closure process should be completed within **90 days** from the grant end date. A simplified closure process will be followed:

- **Final Report:** Programmatic and financial report for the last 6 months of implementation should be submitted **45 days** from the grant end date. The relevant entity shall provide the information as explained in section 5.8 above. The final report will be verified by the LFA or other service provider as relevant.
- **Audit Report:** Using their existing audit arrangements, the selected implementer provides an annual external audit or a specific audit for the program, including the agreed grant closure period, should be performed and shared with the Global Fund no later than **90 days** from the end date of the agreed closure period. The audit opinion would cover the disbursements received from the Global Fund, expenditures incurred and the balance specific to the Emergency Fund grant.
- **Remaining cash assets:** Unspent funds, including interest, foreign exchange gains, tax refund and any other savings remaining at grant end date shall be returned to the Global Fund, no later than **60 days** from the grant’s end date.
- **Asset Transfer:** A proposal for the use or transfer of all remaining non-cash assets must be agreed with the Global Fund following the grant end date. The Global Fund requires that the remaining non-cash assets be used for similar purposes as those covered by the Global Fund-financed program. The asset transfer, as approved by the Global Fund, should be completed no later than **60 days** from the grant’s end date. If the services provided through the Emergency Fund grant will be continued through

another Global Fund-financed grant, the remaining non-cash assets should be transferred to this grant.

6. Reimbursing the Emergency Fund from Grant Funds

6.1 This procedure is envisaged for the scenario where existing grants may have savings and may be reprogrammed to address the emergency situation, but the reprogramming process may be lengthy in the context of the situation, and therefore, the Country Team decided to use emergency funding to address the urgent needs.

6.2 In such cases, the Country Team shall clearly indicate in the memo to the EGMC that a reprogramming process will be undertaken, and savings will be identified in order to reimburse the Emergency Fund within a specified timeline.

ANNEX 1: PRE-QUALIFICATION OF POTENTIAL IMPLEMENTERS

Purpose of the Pre-qualification Process

The Global Fund invites organization to submit an Expression of Interest to potentially manage funding that the Global Fund may provide to maintain HIV/AIDS, tuberculosis or malaria responses in certain countries or regions facing emergency situations.

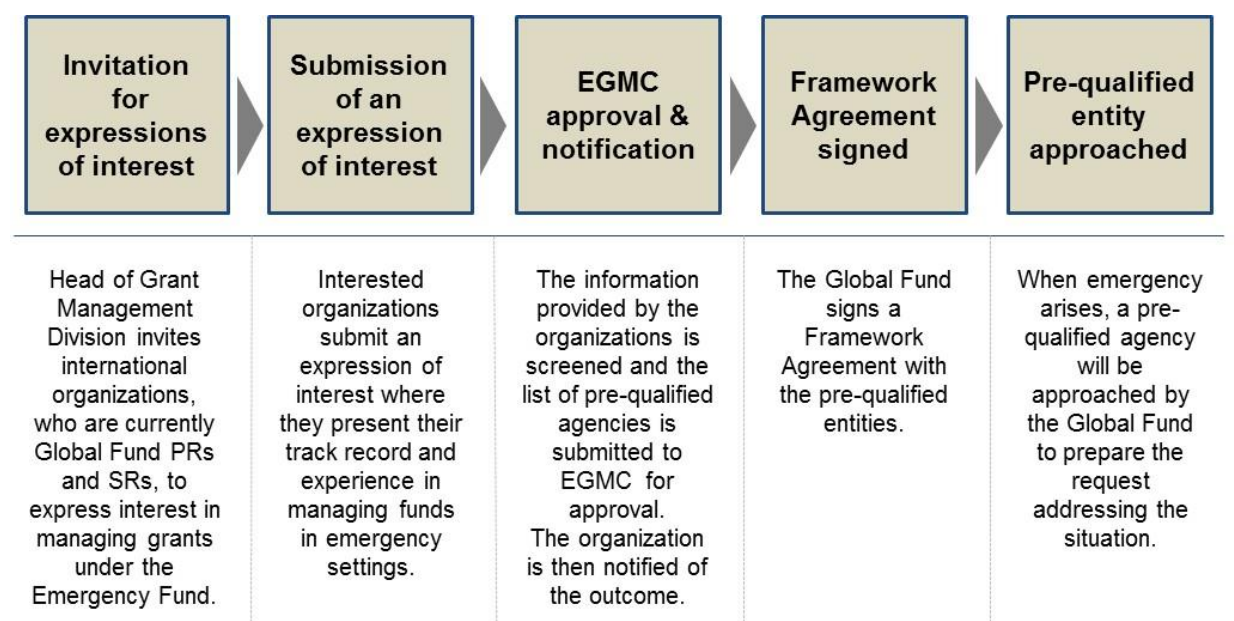
The purpose of this process is to maintain a pool of experienced organizations that can be called upon to alleviate the impact emergency situations may have on the continued fight against HIV/AIDS, tuberculosis and malaria.

Assessment Criteria

Interested organizations are assessed against the following criteria:

- Proven success managing donor funds and program implementation in emergency situations at the global or regional levels.
- Comparative advantage over other potential implementers due to factors such as access, networks, capacities and resources.
- Ability and commitment to sound financial management practices including keeping financial records, in accordance with international accounting standards.
- Agreement to audit the accounts at least once at the end of the implementation and make the auditing results available.

Prequalification Process



Prequalified Entities

The Global Fund completed two (2) pre-qualification exercises in 2014 and 2015. The following fifteen (15) international organizations have been pre-qualified as potential implementers. Their pre-qualified status is valid for the period November 2014 – December 2017:

- International Organization for Migration (IOM)
- World Food Programme (WFP)
- UNICEF
- World Vision
- GIZ
- Save the Children
- Plan International
- Catholic Relief Services (CRS)
- International Federation of the Red Cross (IFRC)
- Population Services International (PSI)
- United Nations Development Programme (UNDP)
- United Nations Office for Project Services (UNOPS)
- The Office of the United Nations High Commissioner for Refugees (UNHCR)
- International Rescue Committee (IRC)
- International Medical Corps (IMC)

ANNEX 2: DOCUMENTATION REQUIREMENTS FOR REQUESTING EMERGENCY FUND SUPPORT

Scenario 1: Top-up to Existing Grant

| Document | Responsible |
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| <p>A letter request for emergency funding:</p> <ul style="list-style-type: none"> a) a narrative description of the proposed emergency interventions and an explanation why reprogramming was not possible and a justification for the need to access the Emergency Fund; b) indicating how much funding is needed; c) submitting revised grant documents as follows: <ul style="list-style-type: none"> • revised performance framework for the grant capturing emergency fund interventions • revised detailed budget (with summary budget) capturing emergency fund • revised list of health products, quantities and cost (as relevant) | Proposed implementer/ PR |
| <p>Internal Memo to Executive Grant Management Committee:</p> <ul style="list-style-type: none"> • explains the rationale for approving the request; • sets the approved interventions and funding amount; and • justifies why reprogramming was not used as a means to address the emergency situation. <p>Country Team also assesses the funding request against the following criteria:</p> <ul style="list-style-type: none"> • Situation adequately described; • Interventions proposed are appropriate to the emergency situation; • Suitability of selected implementer; and • No duplication of efforts; and • Risks and mitigation measures. | Country Team |

Scenario 2: New Grant

For EGMC Step 1 Process:

| Document | Responsible |
|---|--------------------------|
| <p>Concept Proposal, submitted as a narrative document, whereby the applicant presents in summary:</p> <ul style="list-style-type: none"> • the emergency situation; • the proposed emergency response including activities that are being considered under the Emergency Fund grant; • the estimated budget and emergency funding request; and • the proposed implementation arrangements | Proposed implementer/ PR |
| <p>Internal Step 1 Memo to the Executive Grant Management Committee:</p> <ul style="list-style-type: none"> • Country Team summarizes its assessment and recommendation on the concept proposal including proposed emergency fund ceiling amount • All members of the Country Team need to be consulted. In addition, the Disease Advisor, Risk Management Department and Operational Policy Hubs need to be consulted on the memo prior | Country Team |

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| to sharing it for signature. Issues of disagreement should be escalated urgently using the process indicated in the Country Team Approach document. | |
| Decision on the proposed emergency response, setting a funding ceiling, and parameters of emergency funding support. | EGMC |
| Communication to Implementer on the Global Fund decision | Regional Manager and Country Team |

For EGMC Step 2 Process:

| Document | Responsible |
|---|---------------------------------------|
| <p>Grant Documents with a short narrative on the following:</p> <ul style="list-style-type: none"> • Final activities and budget amount based on the guidance • The coordination procedures with partners on the ground and the exit strategy when the project ends. • Identified implementation risks and proposed mitigating measures <p>Annexes:</p> <p>a- A high-level budget request which breaks down the request per cost categories and interventions and provides the main cost assumptions, using the Global Fund template or a similar one.</p> <p>b- A simplified Performance Framework that sets out the package of services to be provided through the emergency funding, using the Global Fund template or a similar one. A narrative description may also be acceptable.</p> <p>c- The List of Health Products being procured. The list should provide information on quantities, unit costs and distribution costs. The relevant entity may use the Global Fund template or a similar one.</p> | Proposed implementer/ PR |
| Core Data Forms – to capture implementer and bank account details | |
| CCM endorsement where possible, or evidence that the CCM was notified when the request is initiated by partners or the Global Fund. | Proposed implementer/ PR |
| Core Data Forms | Proposed implementer/PR |
| Negotiated Grant Confirmation (including Integrated Grant Description) | Country Team and Proposed implementer |
| <p>Internal Step 2 Memo to Executive Grant Management Committee:</p> <ul style="list-style-type: none"> • Country Team summarizes the outcome of the review of the grant documents and negotiations. | Country Team |

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| <ul style="list-style-type: none"> All members of the Country Team need to be consulted. In addition, the Disease Advisor, Risk Management Department and Operational Policy Hubs need to be consulted on the memo prior to sharing it for signature. Issues of disagreement should be escalated urgently using the process indicated in the Country Team Approach document. | |
| Decision on the emergency fund grant and final amount of emergency funding | EGMC |
| Signed Grant Confirmation | Proposed implementer/Global Fund Secretariat |