



Overview of 2017-2019 Allocation

December 2016
Geneva, Switzerland

Overview of allocations 2017-2019

For the 2017-2019 allocation period, the Global Fund has adopted a refined allocation methodology to deliver the aims of its 2017-2022 Strategy and to increase the impact of country programs that prevent, treat and care for people affected by HIV, TB and malaria and build resilient and sustainable systems for health. The allocation methodology drives an increased proportion of funding to higher burden, lower income countries, specifically accounts for epidemics among key populations, the threat of MDR-TB, and for malaria elimination efforts, while providing sustainable and paced reductions where funding is decreasing.

The refined allocation methodology has been simplified to deliver increased impact, flexibility and predictability from Global Fund financing. The allocation formula remains predominantly based on a country's disease burden (including increased emphasis on MDR-TB) and economic capacity. However, it responds to the number of learnings from the 2014-2016 period by directing a higher portion of overall funding to country allocations, and taking a more vigorous approach to balancing scale-up in higher burden, lower income countries, with sustainable and paced reductions for country programs. Country allocations are also refined to account for important contextual factors through a transparent and accountable qualitative adjustment process. These include, but are not limited to, each program's potential to achieve the impact set out in the Global Partner Plans¹, coverage gaps, the disproportionate burden of HIV in key populations, low endemicity malaria settings, potential to absorb funds allocated, program efficiencies, changes in buying power and the costs associated with continuing essential programming. With these refinements to the allocation approach, Country Bands, the Band 4 methodology, minimum required levels and incentive funding are no longer a part of the allocation methodology.

For 2017-2019, US\$ 800 million for catalytic investments are available in addition to country allocations. The majority of catalytic investments aim to catalyze the use of country allocations in line with the aims of the 2017-2022 Strategy, and have been defined in partnership with WHO, UNAIDS, Stop-TB and Roll Back Malaria, among others. They will be rolled out as matching funds to incentivize the programming of country allocations to achieve innovative and ambitious approaches necessary to achieve the Strategy's aims in relevant epidemiological contexts; in support of priority approaches that are critical from a multi-country point of view; and in support of strategic initiatives needed to support country allocations, but cannot be funded through country grants.

For the 2017-2019 allocation period, catalytic investments will be available to support key populations, human rights and adolescent girls and young women programming in HIV; to find missing cases in TB; in malaria, to support the achievement of elimination, drug and LLIN resistance, and piloting the first malaria vaccine; in pursuit of resilient and sustainable systems for health, support for program sustainability, service delivery and health workforce, as well as to support the critical strengthening of supply chains and data systems and use for program quality improvement; to support prospective country evaluations; and continue the important work of the Community Rights and Gender and Emergency Fund special initiatives from the 2014-2016 allocation period.

Outcomes of country allocations for 2017-2019

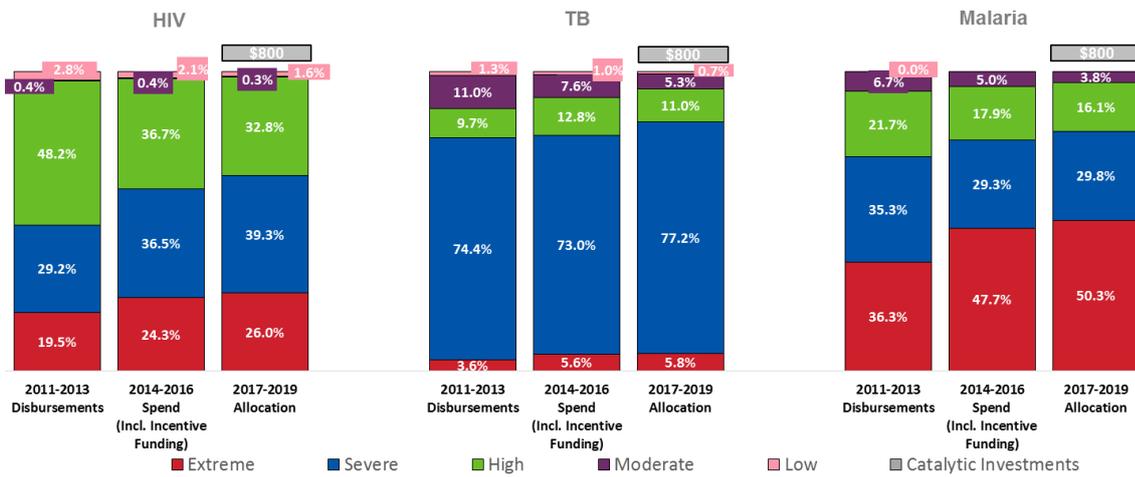
Following the Global Fund's Fifth Replenishment Conference, the Global Fund's Board in November 2016 approved the total amount of funds available for the 2017-2019 allocation period. Of this, US\$800 million will be used for catalytic investments and US\$10.3 billion for country allocations.

The refined allocation methodology drives an increased proportion of funding to higher burden, lower income countries. At a portfolio level, this means increases in funding above current and projected levels of spending² in low-income countries, to country programs classified in HIV, TB and malaria as severe and extreme burden, and to sub-Saharan Africa, among others. The changes in distribution of funding between 2011-2013 disbursements (prior to the Global Fund's use of an allocation-based funding approach), current and projected levels of spending (including incentive funding), and 2017-2019 allocations by income category, regions and disease burden category are given below:

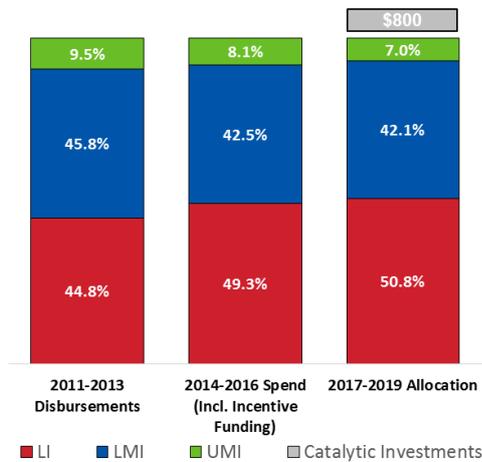
¹ UNAIDS: Fast Track: Ending the AIDS Epidemic by 2030; UNAIDS Strategy 2016-2021; WHO: The Global Technical Strategy for Malaria 2016-2030; and Stop TB Partnership: The Global Plan to End TB 2016-2020, WHO: End TB Strategy.

² Current and projected levels of spending refer to country programs' 3-year equivalent actual and forecasted disbursement levels arising from 2014-2016 allocation period.

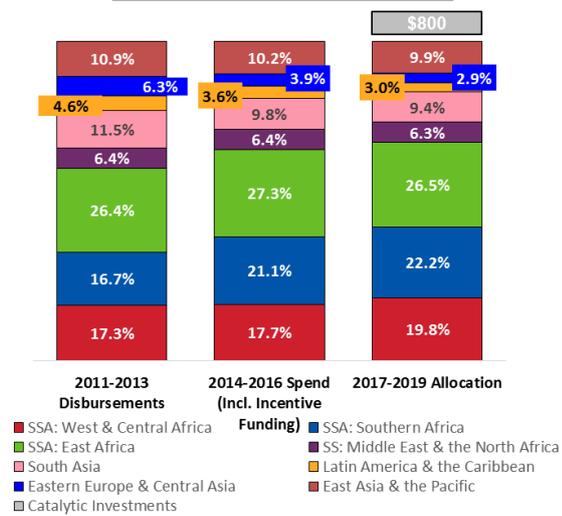
Disease Burden



Income (2015)



Region



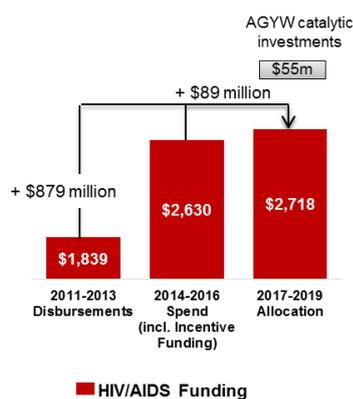
The refined allocation methodology also leads to increases in HIV funding allocated above current and projected levels of spending to priority countries in sub-Saharan Africa for adolescent girls and young women³, funding to MDR-TB priority countries⁴, and top 15 high burden malaria countries⁵, even before catalytic funding has been used to further incentivize the programming of allocations in these critical areas.

³ 13 countries in sub-Saharan Africa with disproportionate HIV burden in adolescent girls and young women: Botswana, Cameroon, Kenya, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Uganda, Zambia & Zimbabwe. The catalytic investment funding shown is the amount approved by the Global Fund's Board for Adolescent Girls and Young Women (GF/B36/DP06).

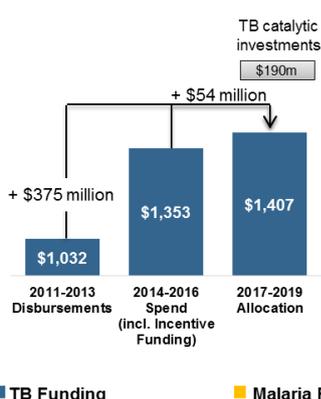
⁴ WHO MDR-TB priority countries that are eligible for Global Fund financing according to the 2017 Eligibility List. The catalytic investment funding shown is the amount approved by the Global Fund's Board for Tb catalytic investments (GF/B36/DP06).

⁵ With burden measured as per the SIIC-approved malaria burden technical parameter for 2017-2019 allocation period. The catalytic investment funding shown is the amount approved by the Global Fund's Board for malaria catalytic investments in Malaria Elimination in Southern Africa, the Greater Mekong Sub-region, Catalyzing Market Entry of new LLINs and Piloting the Introduction of the RTS,S Vaccine (GF/B36/DP06).

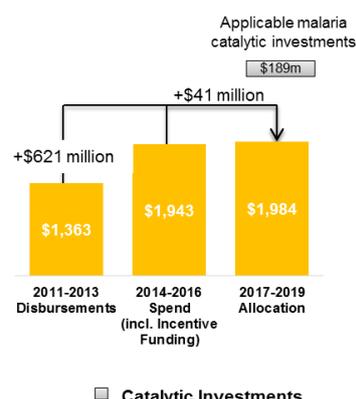
Adolescent Girls and Young Women SSA Priority Countries



MDR-TB Priority Countries



Top 15 Malaria Burden Countries



For country programs receiving increases from their 2014-2016 funding levels, these allocations are on average 15 percent higher than current and projected levels of spending. Across the portfolio of country programs, these levels are 1-114 percent higher than current and projected levels of spending. Looking at the diseases individually, HIV programs on average are 11 percent higher than current and projected levels of spending (spanning increases of 1-52 percent across the portfolio); for TB, programs are on average 15 percent higher than current and projected levels of spending (spanning increases of 1-73 percent across the portfolio); and for malaria, programs are on average 20 percent higher than current and projected levels of spending (spanning increases of 2-114 percent across the portfolio).

As there is only one source of funding for country allocations, these increases to higher burden, lower income countries are balanced with decreases in countries with lower burden and higher economic capacity. Nonetheless, there are measures in the allocation formula, and through the qualitative adjustment process, to ensure that where funding is decreasing, reductions are sustainable and paced, and that the disproportionate burden among key populations in concentrated and mixed epidemic settings, the disproportionate challenge of MDR-TB, and needs in malaria elimination settings are accounted for. On average, the country programs receiving paced reductions have allocation levels that are 86 percent of current and projected levels of spending, with these levels spanning 38-99 percent of spending across the portfolio. In HIV, the paced reductions are on average 85 percent current and projected levels of spending (38-99 percent across the portfolio); in TB, the paced reductions are on average 81 percent current and projected levels of spending (50-99 percent across the portfolio); and in malaria, the paced reductions are on average 90 percent current and projected levels of spending (38-99 percent across the portfolio). Nonetheless, only 10 percent country components receive allocations less than 60 percent of current and projected levels of spending, representing less than 2 percent of overall allocation funding (less than US\$150 million).

The Global Fund's new policies on Sustainability, Transition and Co-financing and for Challenging Operating Environments set out critical approaches to support sustainability and transition from Global Fund financing and flexibilities that can be utilized when crises and emergencies occur. It is also important to note that allocations may seem smaller than those communicated for the last allocation period, which were to be used over four years, whereas from 2017-2019 onwards allocations will be used over three years.

The Global Fund seeks to be additive in the use of country allocations and catalytic investments to drive impact. Along with domestic resources and other external funding, it is anticipated that country allocations will enable us to achieve between 86-100 percent of the lives saved and between 62-80 percent of the incidence reduction targets set out in the Global Partner Plans. Once catalytic investments have been programmed to catalyze ambitious levels of impact in line with the global strategic priority areas, it is anticipated that these achievements will be even greater. Increased domestic and external resources remain critical to achieve the health Sustainable Development Goals.

Overall, the resources raised through the Global Fund's Fifth Replenishment Conference, the refined allocation methodology to increase the impact of country allocations, and catalytic investments will position countries, global partners and the Global Fund to achieve the aims of its 2017-2022 Strategy and pursue the achievement of impact set out in Global Partner Plans.