

37th Board Meeting

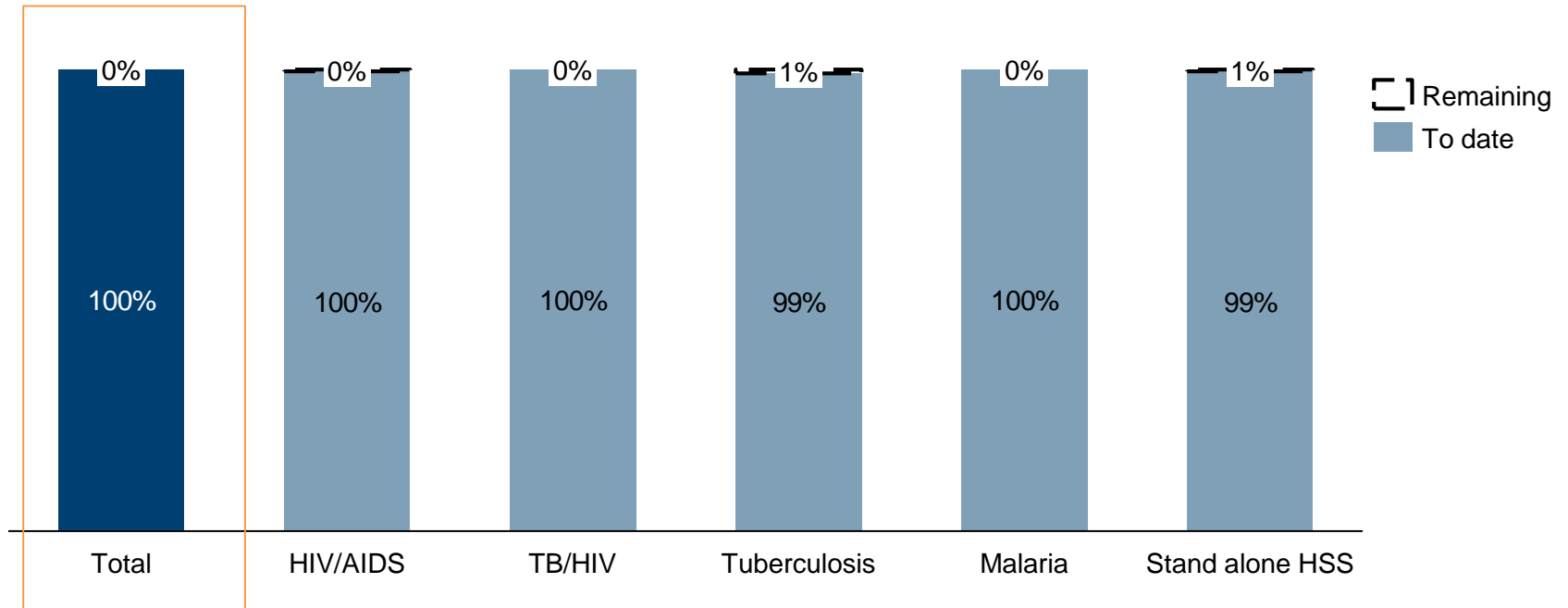
# Funding Model Implementation Report on the 2014-2016 Period

GF/B37/16

Kigali, Rwanda

03-04 May 2017

# The Board approved 100% of allocated funds by end of allocation period



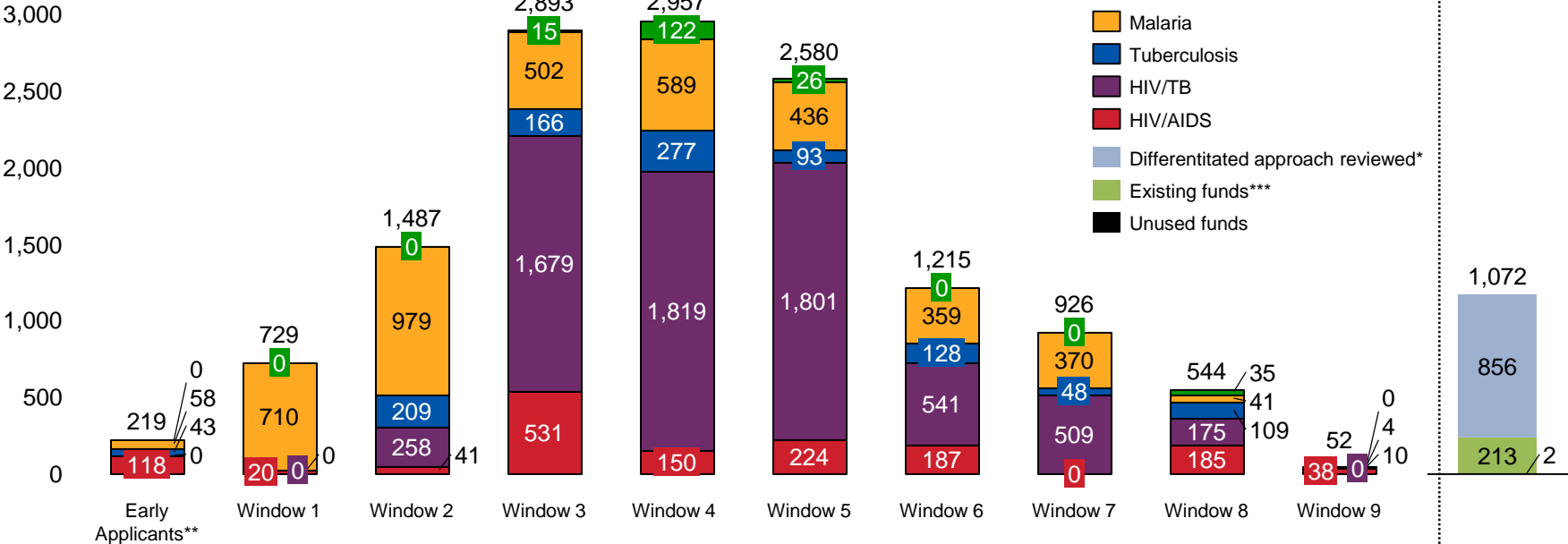
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Source: Grant Management Platform and Access to Funding database

As of: 31 December 2016

# TRP/GAC reviewed US\$14.67 billion of allocation funding as of December '16

(US\$ millions)



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\*\*Includes simplified approaches, reprogramming requests (see concept note tracker).

\*\*\*Early applicants includes Kazakhstan TB, Myanmar HIV and Myanmar TB. These components did not come back for TRP review in windows 1-9.

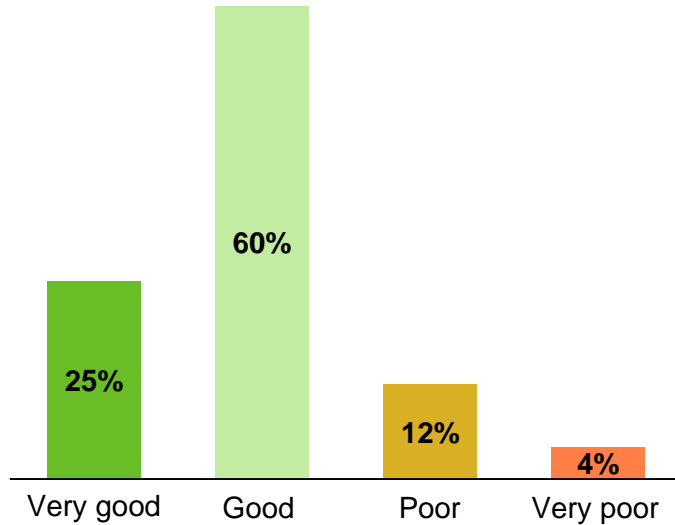
\*\*\*Includes components that had only existing funds and did not submit a concept note.

As of: 31 December 2016

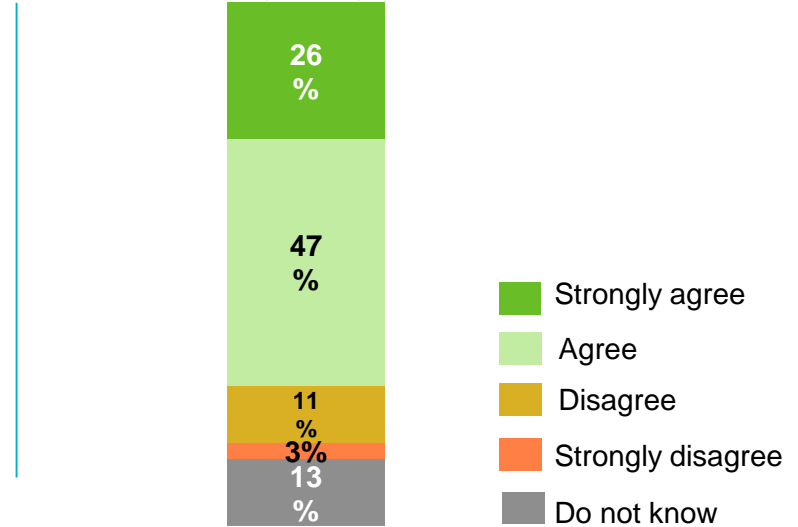
Note: Regional concept notes not included in calculation

# Country dialogue participant survey indicates positive experience with allocation-based funding model

Overall experience in applying for funding from the Global Fund  
(N=1863)



The application process under the NFM is better than under the rounds-based system.  
(N=890)



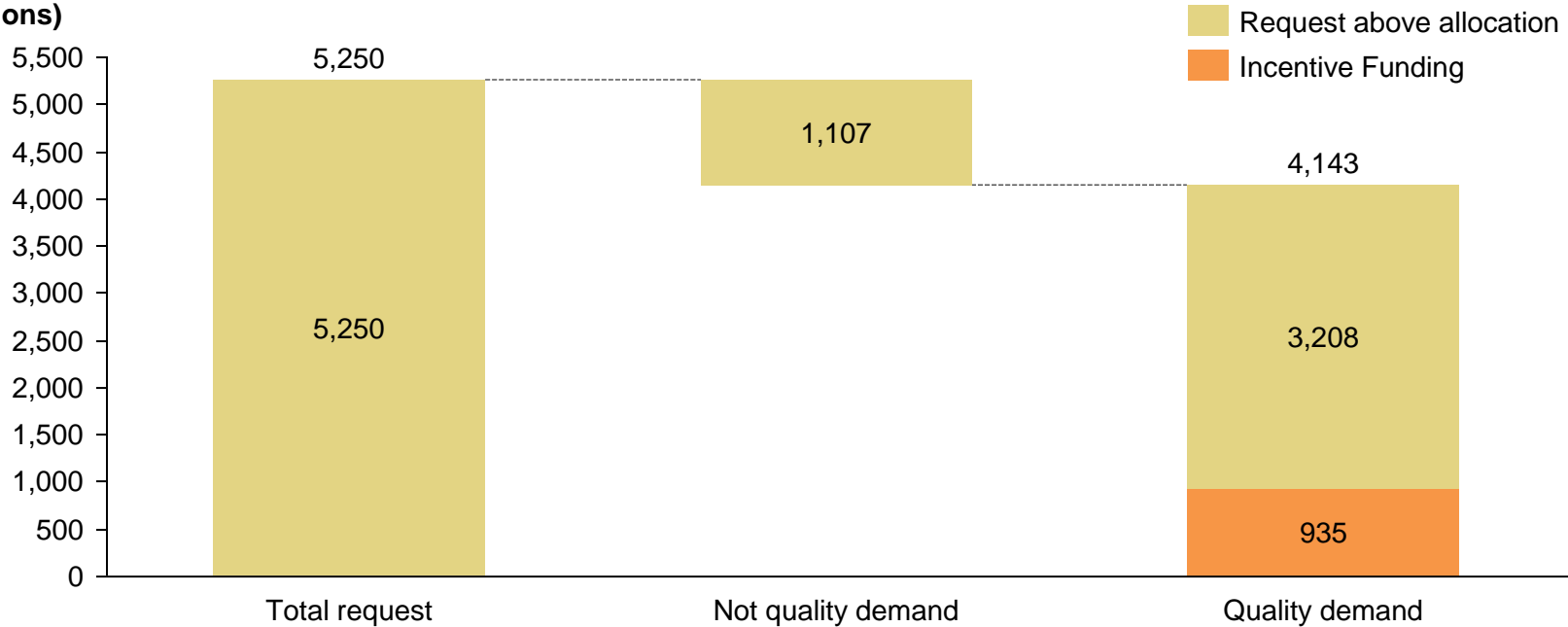
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Source: Participant survey

As of: 29 March 2016

# Of the US\$5.2B above allocation requests reviewed, TRP/GAC recommended 4.1B as quality demand

(US\$ millions)

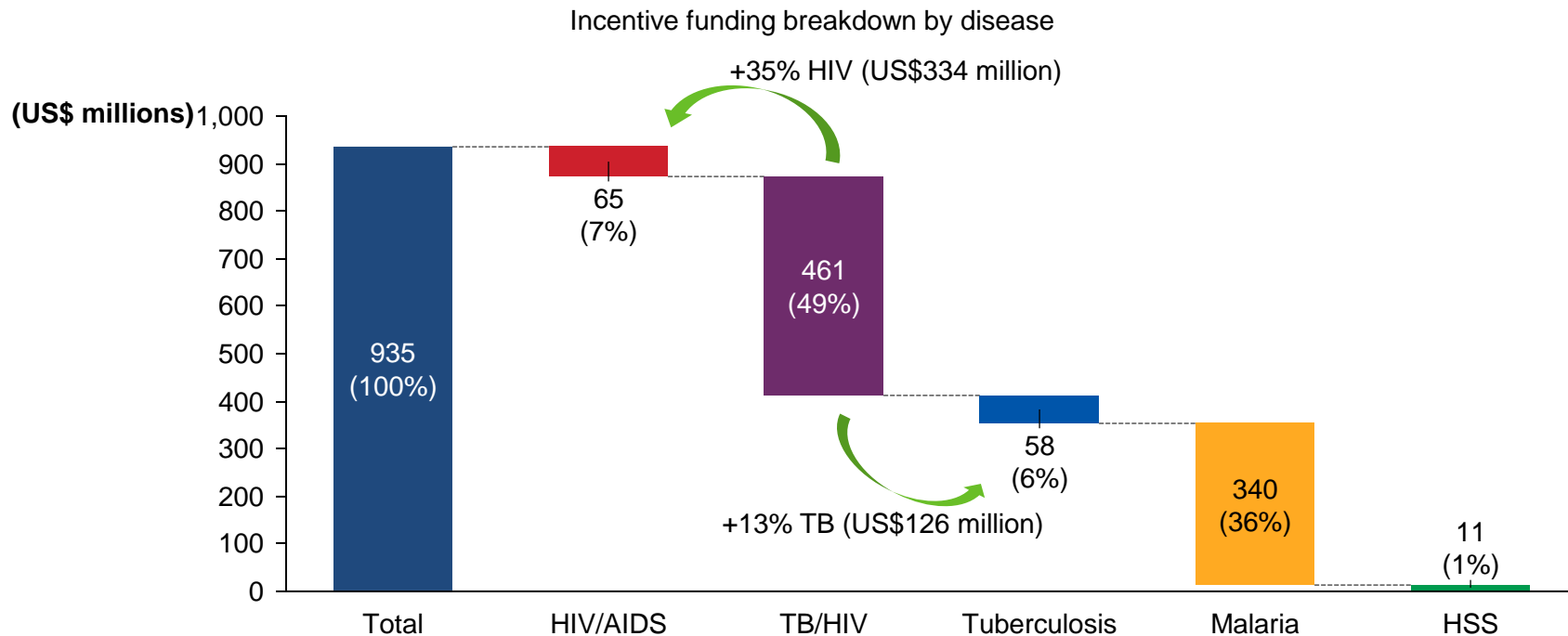


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Source: Access to Funding database

As of: 31 December 2016

# US\$935 million of incentive funding was awarded in windows 1-9



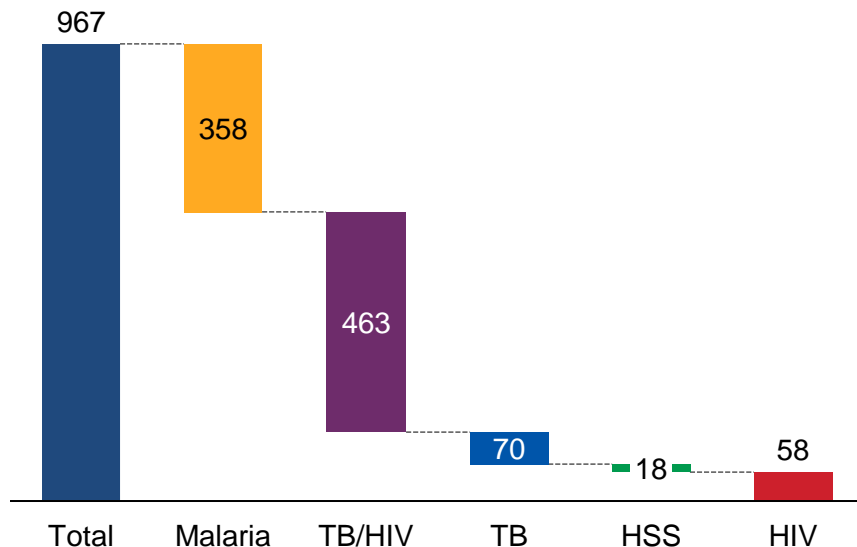
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Source: Access to Funding database

As of: 31 December 2016

# Overall, GAC has reinvested US\$967 million in efficiencies identified during grant-making

(US\$ millions)



- Efficiencies were found in costs related to management and human resources, transportation, training, operationalization, programs, products for prevention, and treatment costs per unit.
- Savings resulted from global pricing updates, review of product lists and activities, negotiations, and delayed or unexecuted and undisbursed amounts from existing grants and donations.
- Efficiencies and/or savings were reinvested in line with TRP/GAC guidance, focusing on:
  - Scaling up core prevention and treatment programs such as LLINs and testing and treatment
  - Strengthening investments in surveys, HMIS, M&E, TA and HR
  - Procurement of health care products and improving access to products and services, including quality diagnosis and laboratory equipment
  - IBBS survey roll-out
  - Initially underestimated budget costs

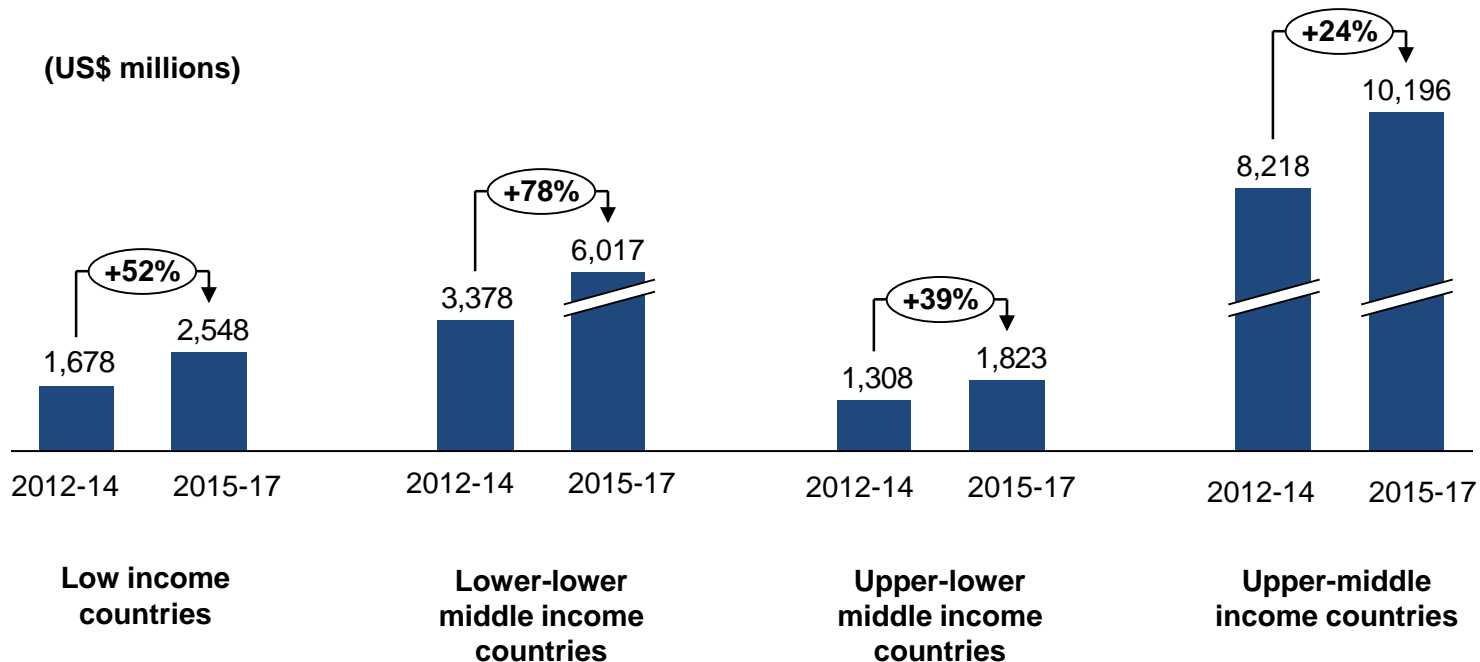
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Source: Access to Funding database

As of: 31 December 2016

# Governments committed additional US\$6 billion in windows 1-9

Funds committed current vs. next phase by income category



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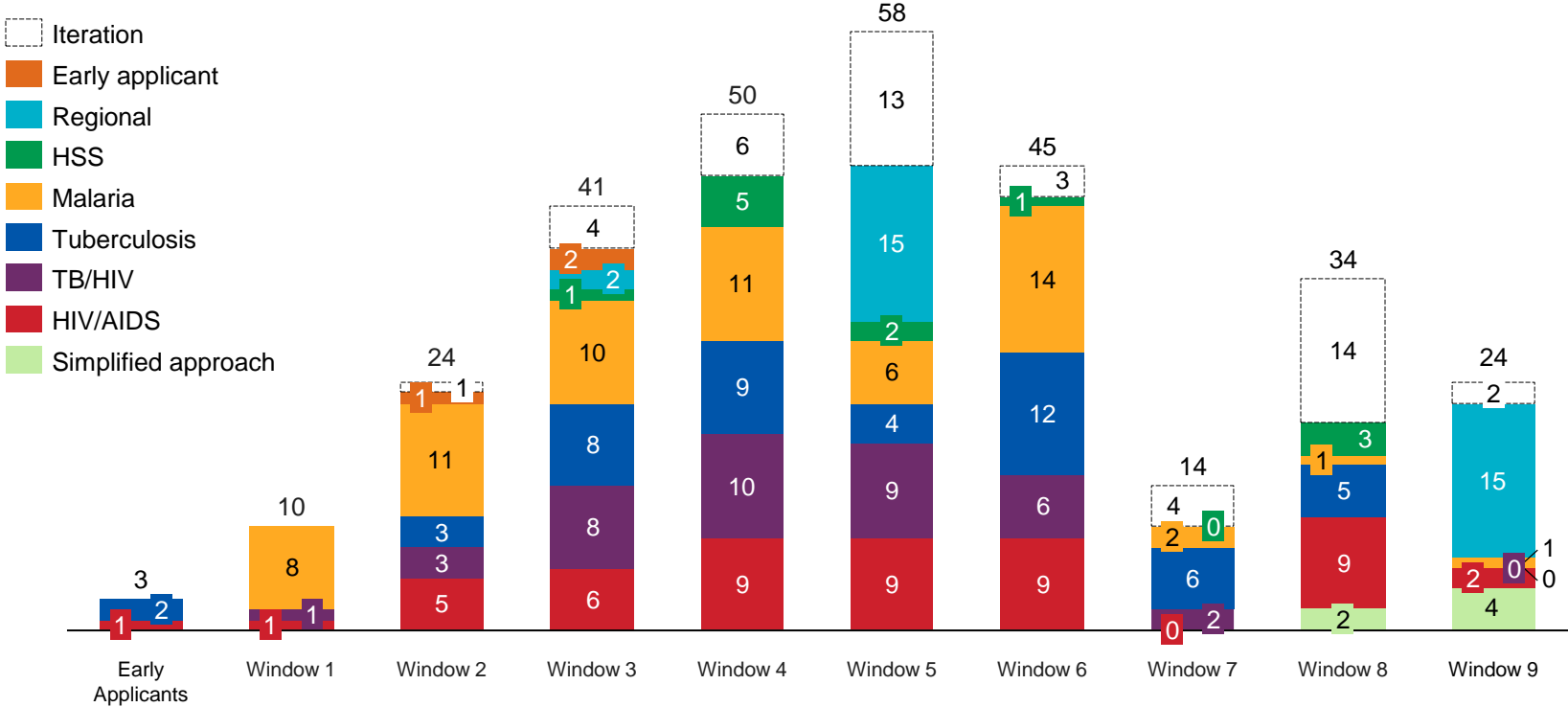
Source: Strategic Information Department

As of: 31 December 2016



# 303 funding requests reviewed by TRP in first allocation-based funding cycle

23% of country funding requests required iterations

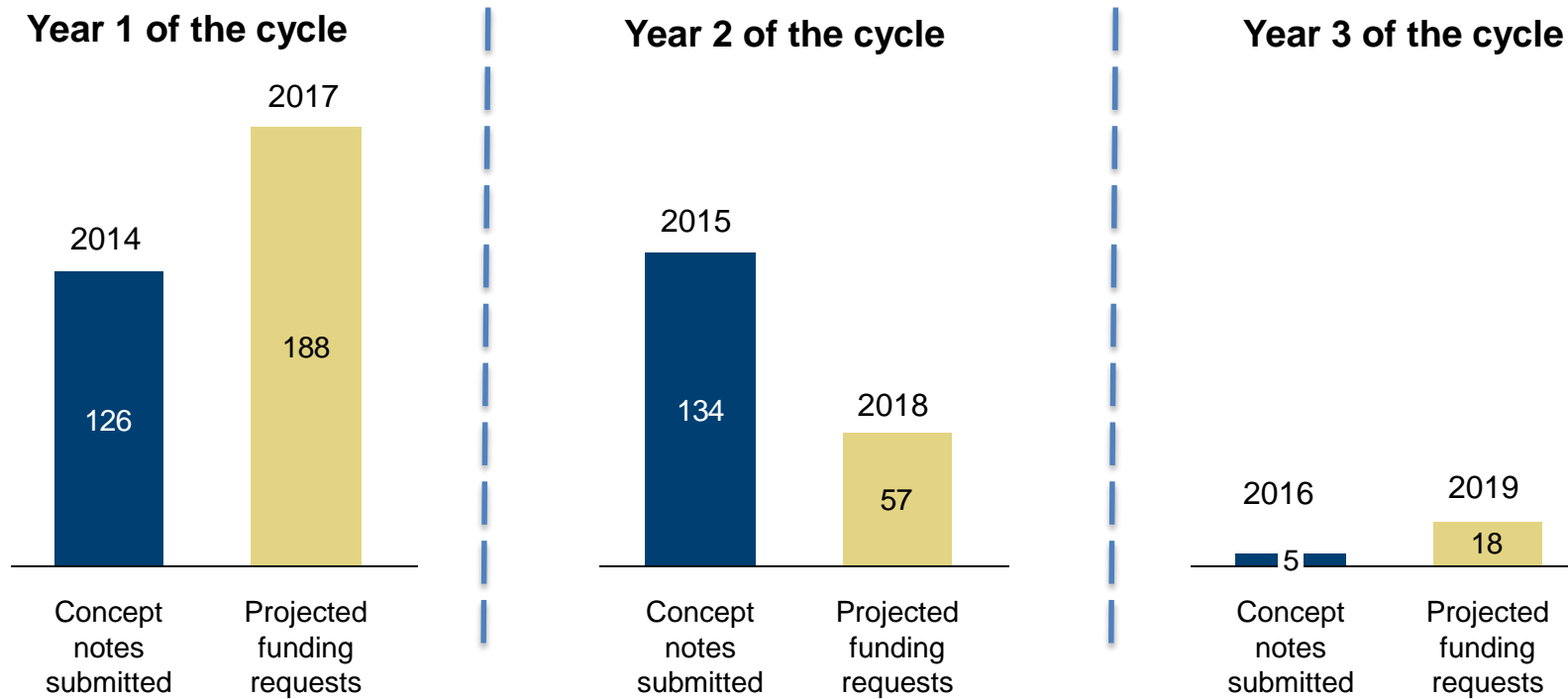


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Source: Access to Funding database  
As of: 31 December 2016

Note: One integrated concept note counted as multiple components

# Higher proportion of funding requests (71%) expected to be reviewed in year 1 in 2017-2019 funding cycle



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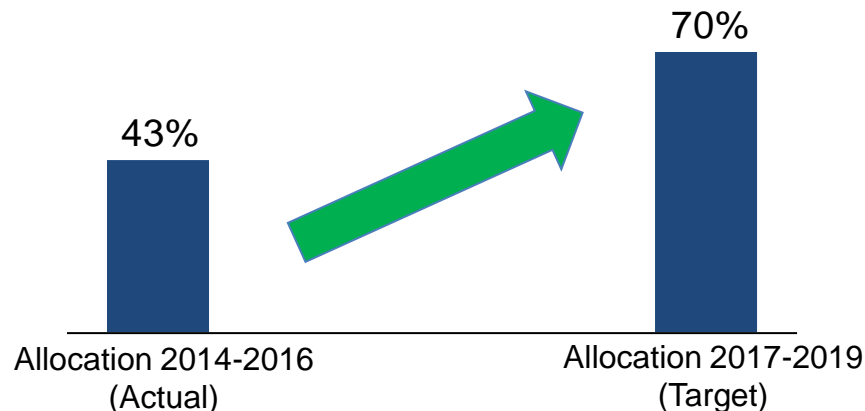
Source: Access to Funding database

As of: 01 March 2017

# Opportunity to improve percentage grants signed on time in 2017-2019 cycle

In 2014-2016 cycle 43% of grants were signed on time:  
207 grants required extensions, representing 9% of the allocation.

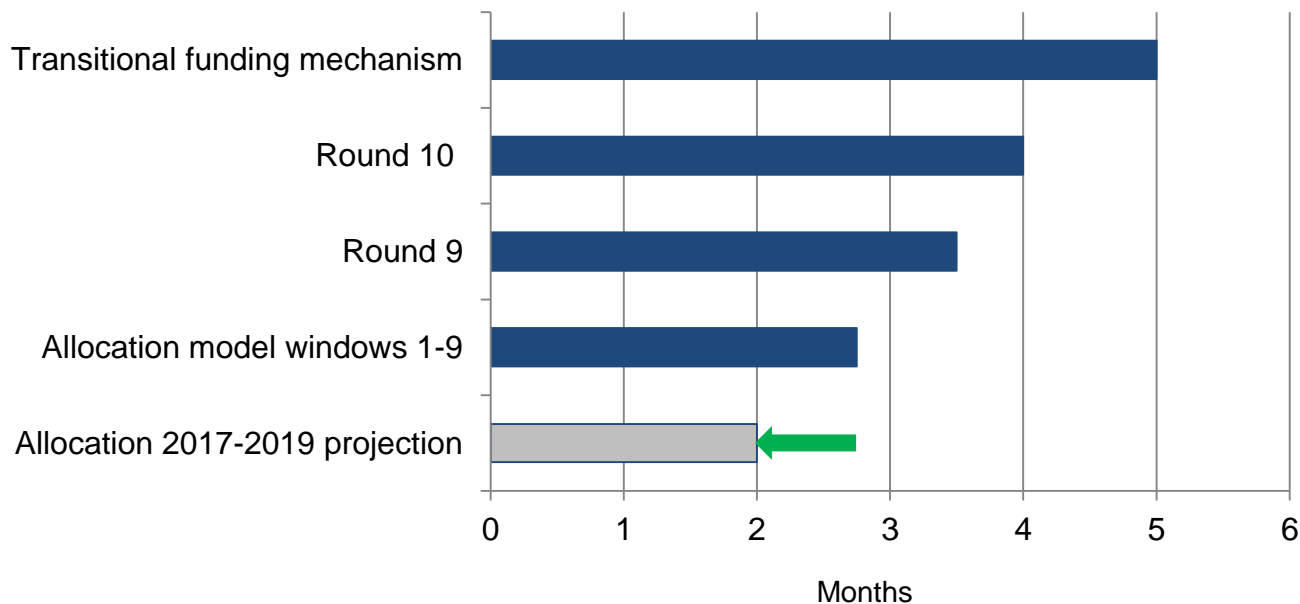
Target for 2017-2019 cycle is for 70% of grants to be signed on time



Grants signed on time  
(i.e. before current grants end)

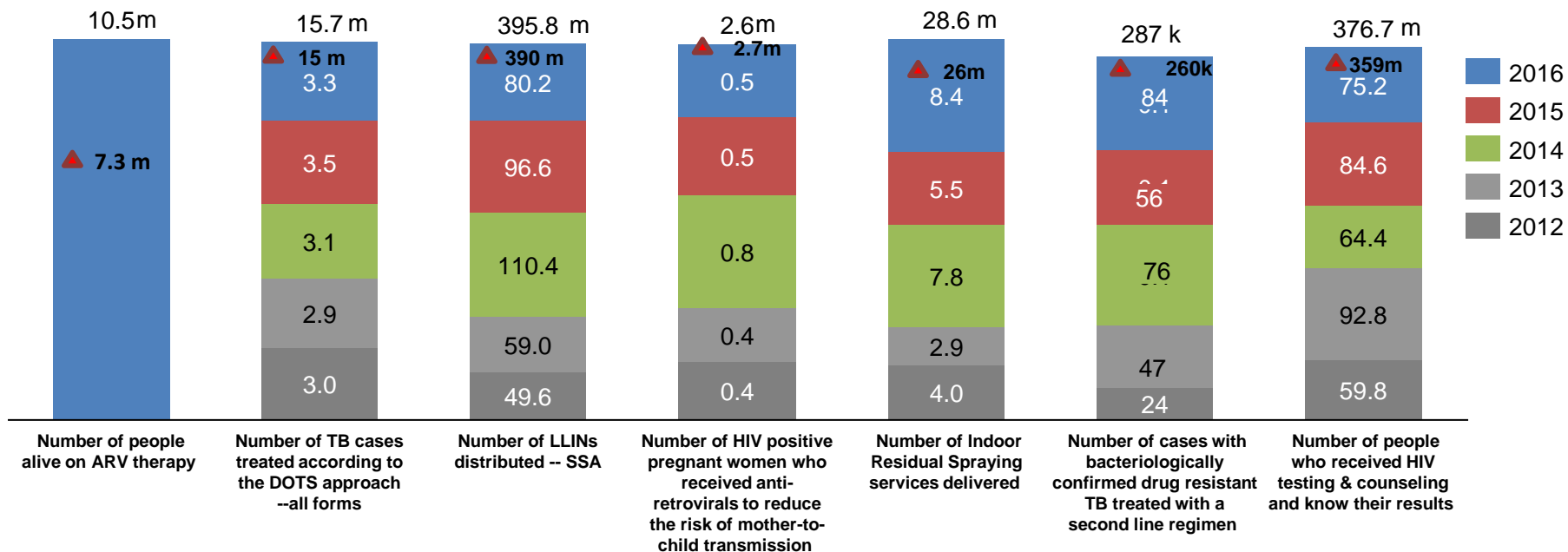
# For the first allocation-based funding cycle the duration from submission to communication of results was less than 3 months

Projected to decrease to 2 months in second funding cycle



# Achievement of 2012-2016 strategy targets by year

Results 2012-mid 2016 + forecast for second semester 2016



**6.5 million lives saved from 2014-2016**

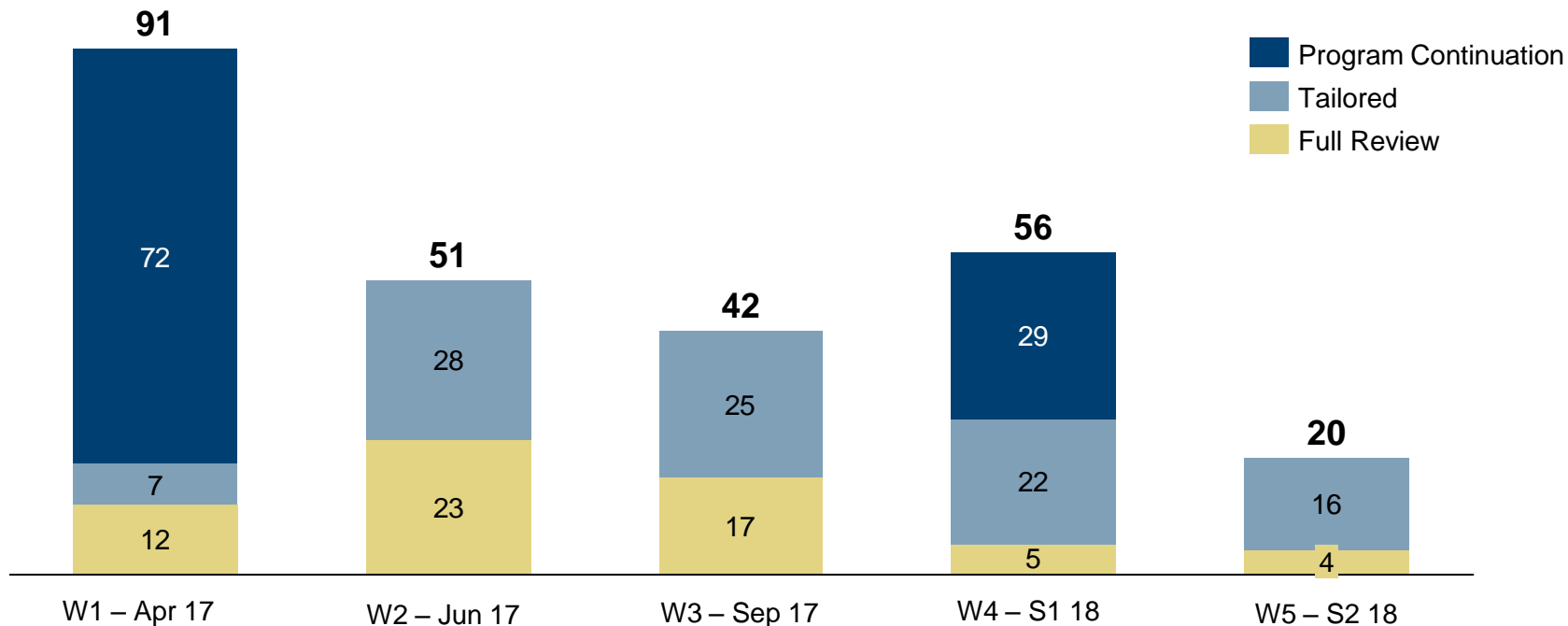
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Note: 2012-Semester 1 2016 actual results. Semester 2 2016 forecast based on average of 2 scenarios. Number of people alive on ARV therapy was 10 million at mid 2016.

 Strategy target

# Projected Funding Requests

Based on historical 20% Slippage and 20% Iteration and assuming 10% PC moving to Full/Tailored



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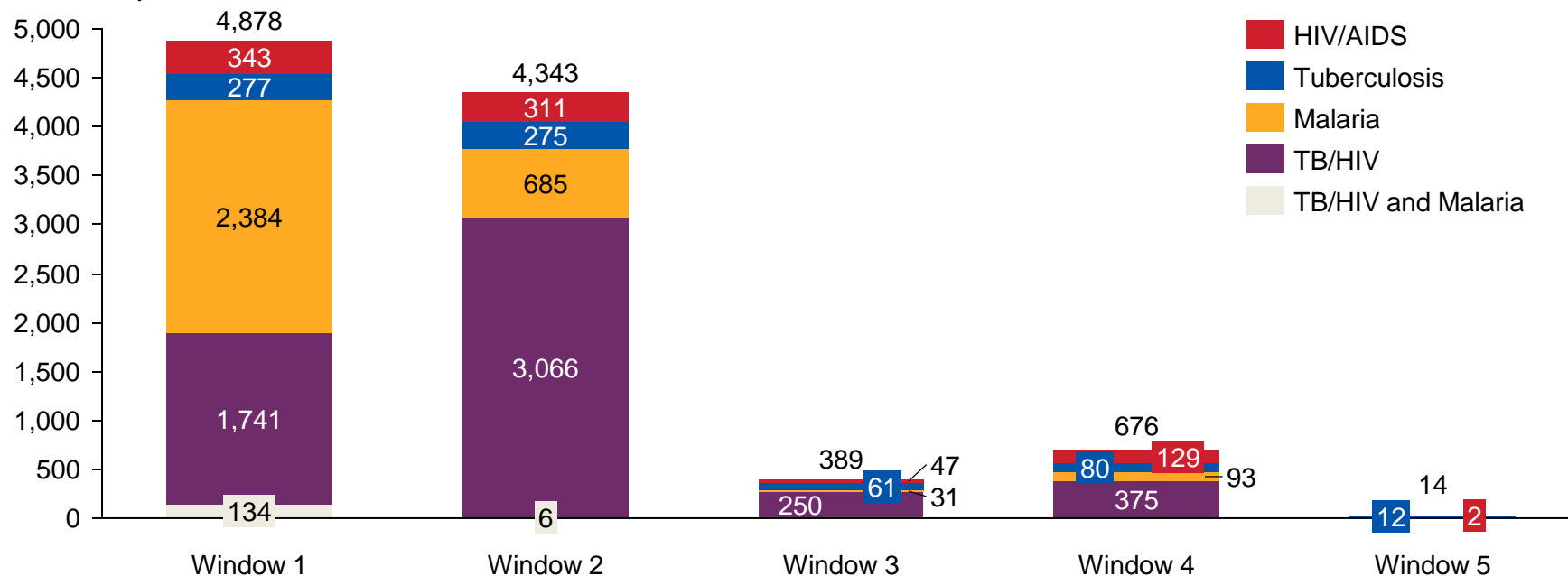
Source: Access to Funding database

As of: 07 April 2017

# Global Fund allocated US\$10.3 billion to eligible applicants

Window based on country team estimates: does not include possible slippages or iterations

(US\$ millions)

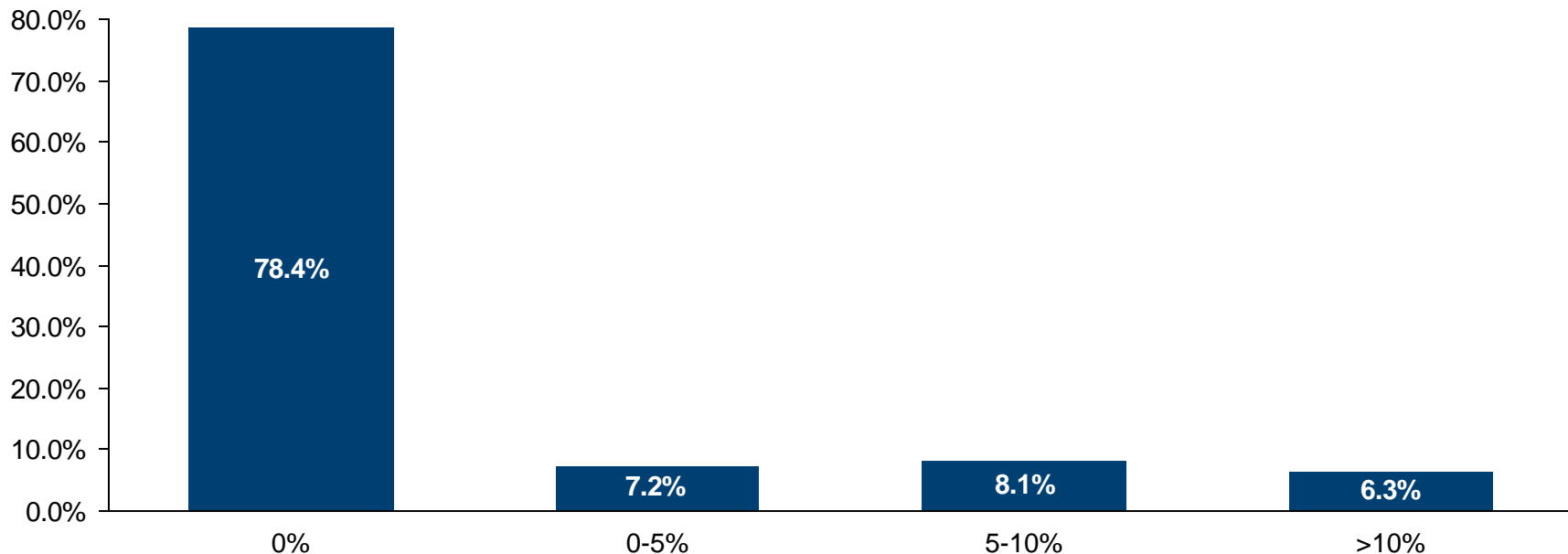


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Source: Access to Funding database

# Program split changes

Of the applicants that revised program split, only 6.3% made changes greater than 10%



Represents program split data for 111 applicants

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Not all program splits have been approved

Source: GOS and Access to Funding database

As of: 07 April 2017



# GF taking steps to ensure business model fit for strategy

## Key milestones

- **April 2016:** Board asks GF to “review the Global Fund business model in high-risk countries and assess possible alternative options”
- **May – September 2016:** Secretariat assesses strengths and weaknesses of current business model and potential options
  - *Analysis:* focus groups with country teams, surveys of over 800 in-country stakeholders (CCMs, PRs, LFAs), interviews with ~50 Board and Committee members and a detailed costing model of potential options
  - *Conclusion:* Improvements needed in partner engagement / portfolio management, risk management and CCMs
- **November 2016:** Board asks GF to a) draft implementation plan, b) develop approach and timeline for assessing risk levels after improvements, and c) complete analysis of similar organizations
- **December to March 2017:** Secretariat finalizes deliverables and reviews in January with Strategy Committee for guidance (see backup for summary)
- **April 2017:** Strategy Committee completes final review of deliverables

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# GF will assess risk levels on ongoing basis

4 step approach to evaluate whether additional country presence is needed



Secretariat will implement improvements according to plan, monitor risks and report evolving risk levels to AFC via the Organizational Risk Register

# Backup

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# Summary of business model improvement plan and results from analysis of partner organizations

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# Further improvements planned in three areas

## Risk management

1  
Audit of in-country assurance

2  
Integrated risk tool

3  
FCER: financial risk and assurance guidelines

- 7 FCER: strengthen measures to prevent corruption
- 6 FCER: MOUs with World Bank and INGOs
- 5 Assurance plans for 30 HI and high risk countries
- 4 Framework for programmatic assurance

## CCM

- 1 Incorporate performance based funding into CCM budget negotiations
- 2 Roll-out CCM new member induction program

3  
Roll-out CCM Code of Conduct

4  
Train Country Teams on effective CCM engagement

5  
Develop the Global Fund's CCM strategy

## Partner engagement / portfolio management

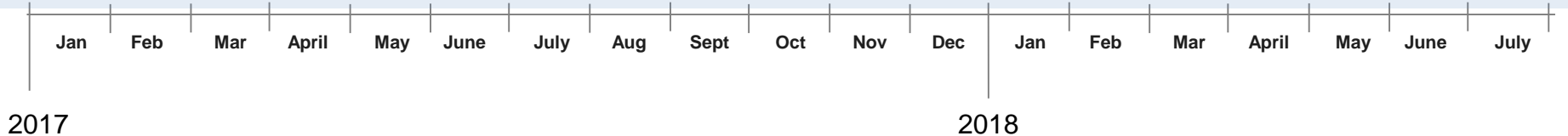
1  
HR strategic workforce planning aligned to GF strategy

4  
Communications strategy for CCMs and PRs

3  
Knowledge sharing platforms

2  
Roll-out partner support platform

5  
Implement integrated impact and risk portfolio management



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## Comparative analysis of partner organizations highlighted the need to:

- Maintain the focus and the momentum in operationalizing and embedding risk management in day to day operations
- Stay on the path towards a robust level of risk management, with the following already achieved:
  - i. Quality of assessments, discussions and decisions at the GAC and the ORC
  - ii. Risk Department's direct oversight work, including in-country risk reviews
  - iii. Roll out of risk and assurance plans
- Foster the development of a risk culture at Secretariat level and at country level, jointly with partners

# Good practices identified from partners that GF will introduce/enhance

## Secretariat capacity to undertake due diligence and proactively manage risks

- Capacity and risk assessments to be conducted by multidisciplinary teams for challenging cases as needed based on Secretariat analysis
- Integration of risk management in the performance objectives of dept. heads and global risk owners (actions closure)



- Enhanced objectivity and increased knowledge from other teams and business areas
- Comprehensive action plans incorporated in grant budget
- Risk culture that rewards individuals for managing risks in an informed manner

## Ownership for risk management and assurance

- Joint reviews and monitoring missions (risk based) with partners
- Lessons learned meetings with partners
- Risk training and TA for CCM & implementers
- Review of skills and profile of LFA teams to align with contexts and prioritized risks-LFA budget and LOEs to be adjusted accordingly



- Effective monitoring and ownership of prioritized risks, mitigating measures, and assurances
- Enhanced assurance on risk mitigations in emerging areas such as sustainability, transition, program quality, and supply chain assurances

## Mutual accountability

- Partnerships through formal agreements to share outcomes of capacity and risk assessments, audit reports, and align mitigations / pooling of assurances



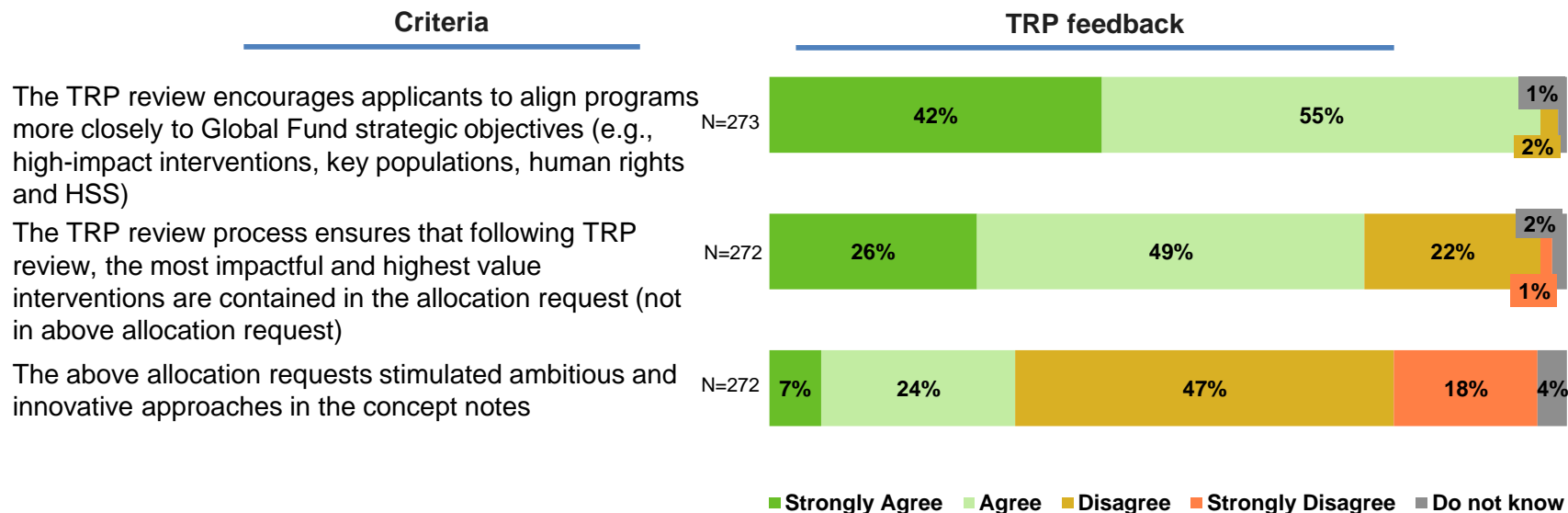
- Improved efficiency, shared accountability, and informed decision-making

# TRP and Participant survey

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# TRP assessment of concept note review process



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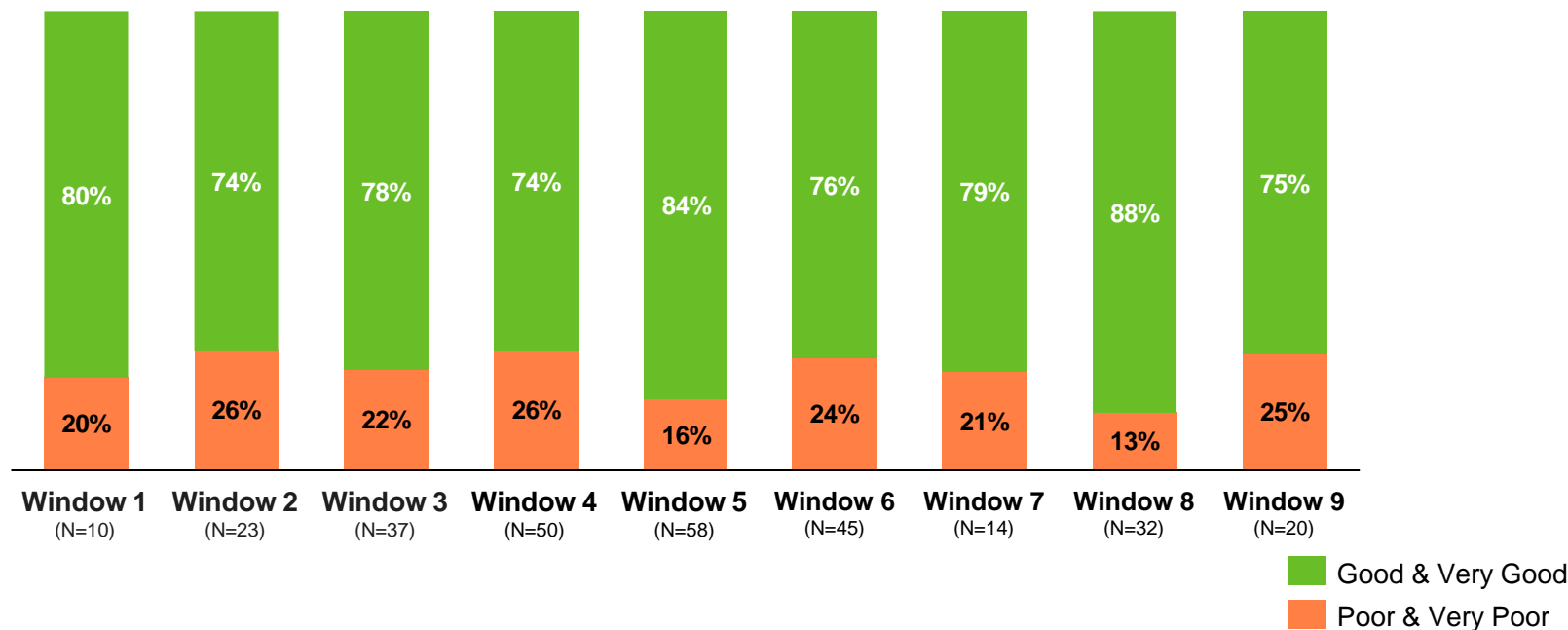
Source: TRP review process survey

As of: 29 March 2016

Note: Includes windows 1-9

# TRP assessment of overall quality of concept notes

Overall quality of concept notes

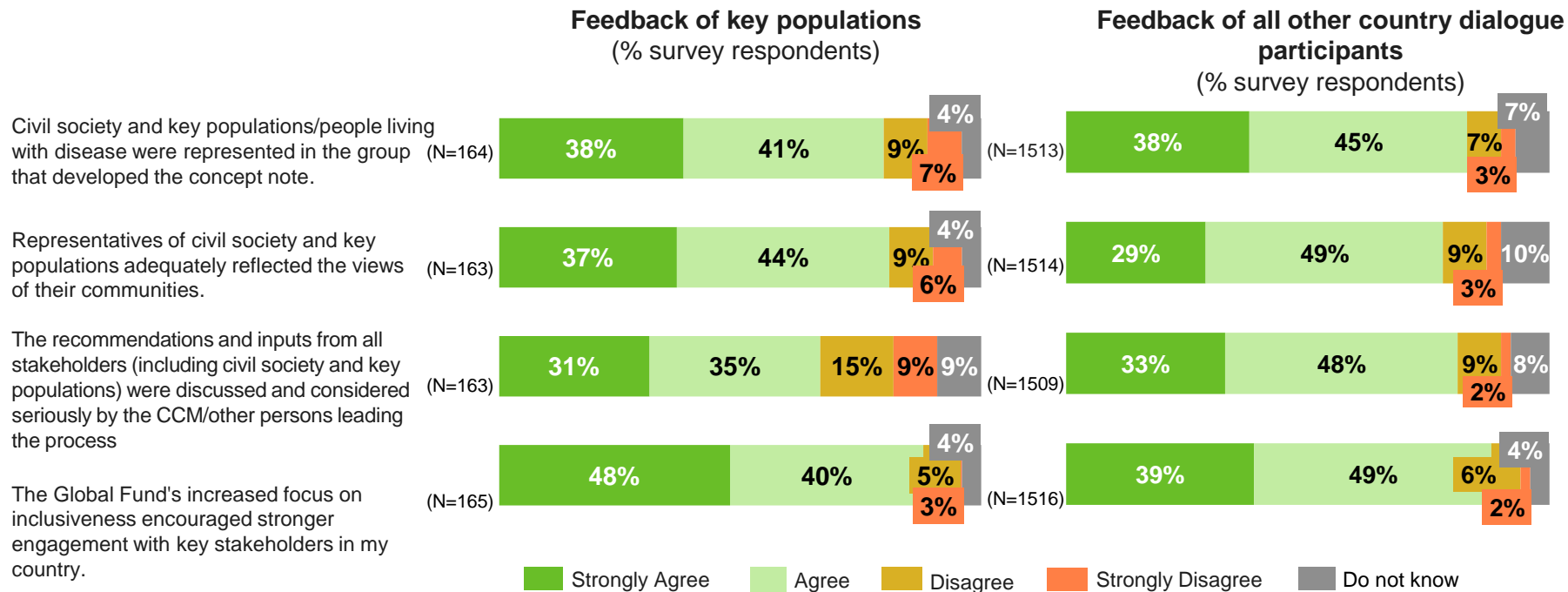


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Source: TRP concept note quality survey

As of: 29 March 2016

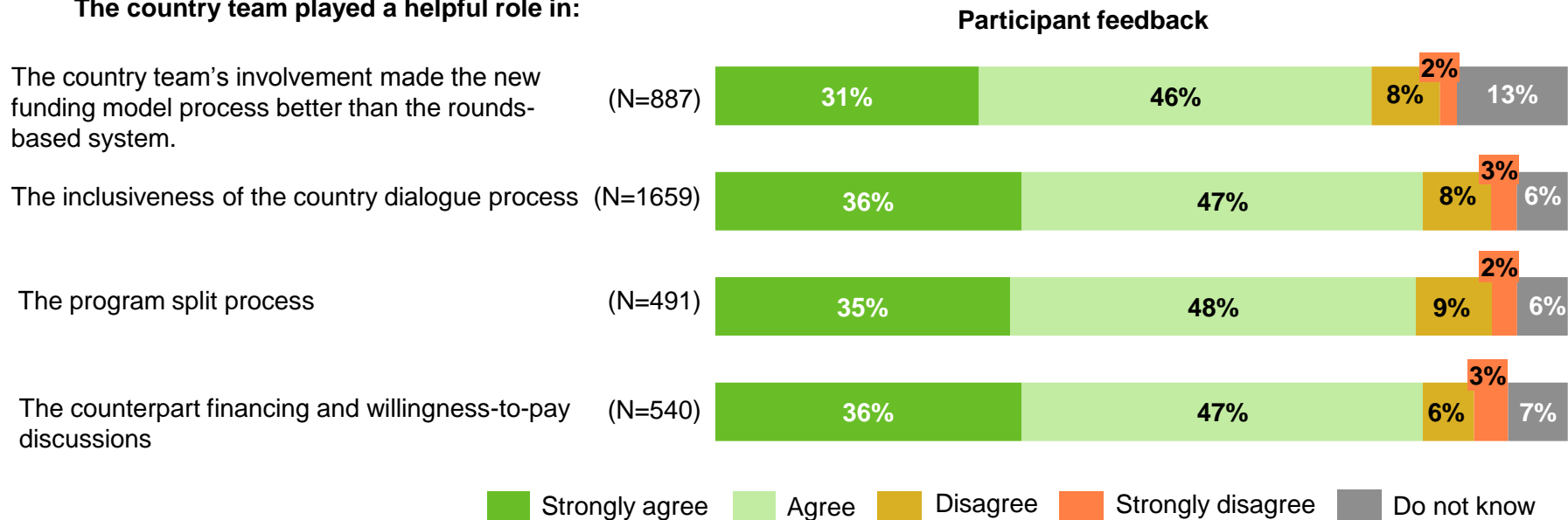
# Survey results on country dialogue



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# Survey results on country team's role

## The country team played a helpful role in:

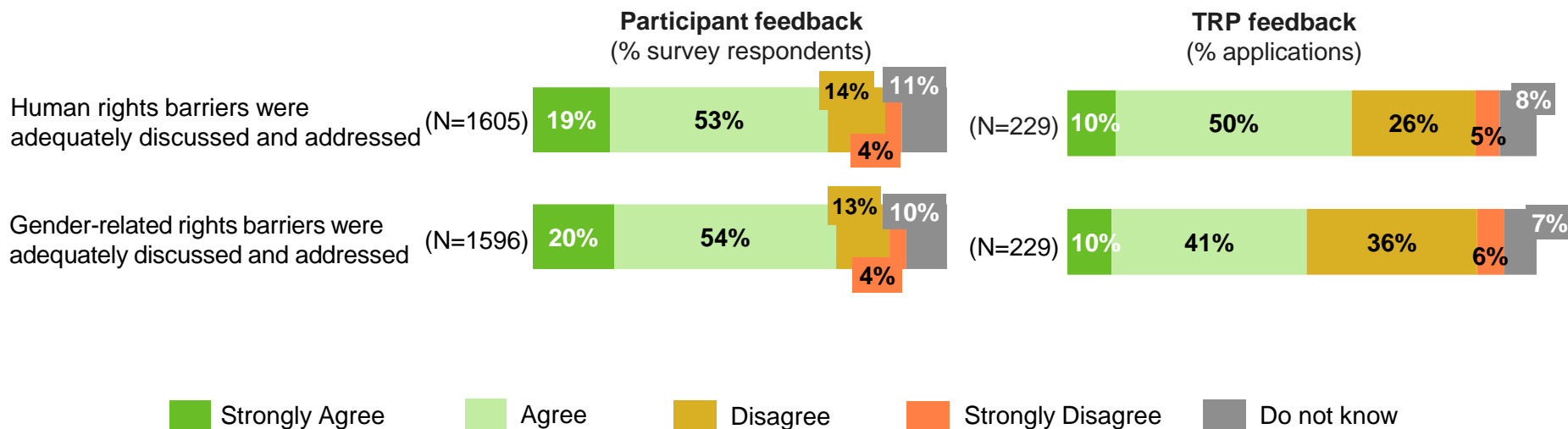


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Source: Participant survey

As of: 29 March 2016

# Survey results on human rights and gender



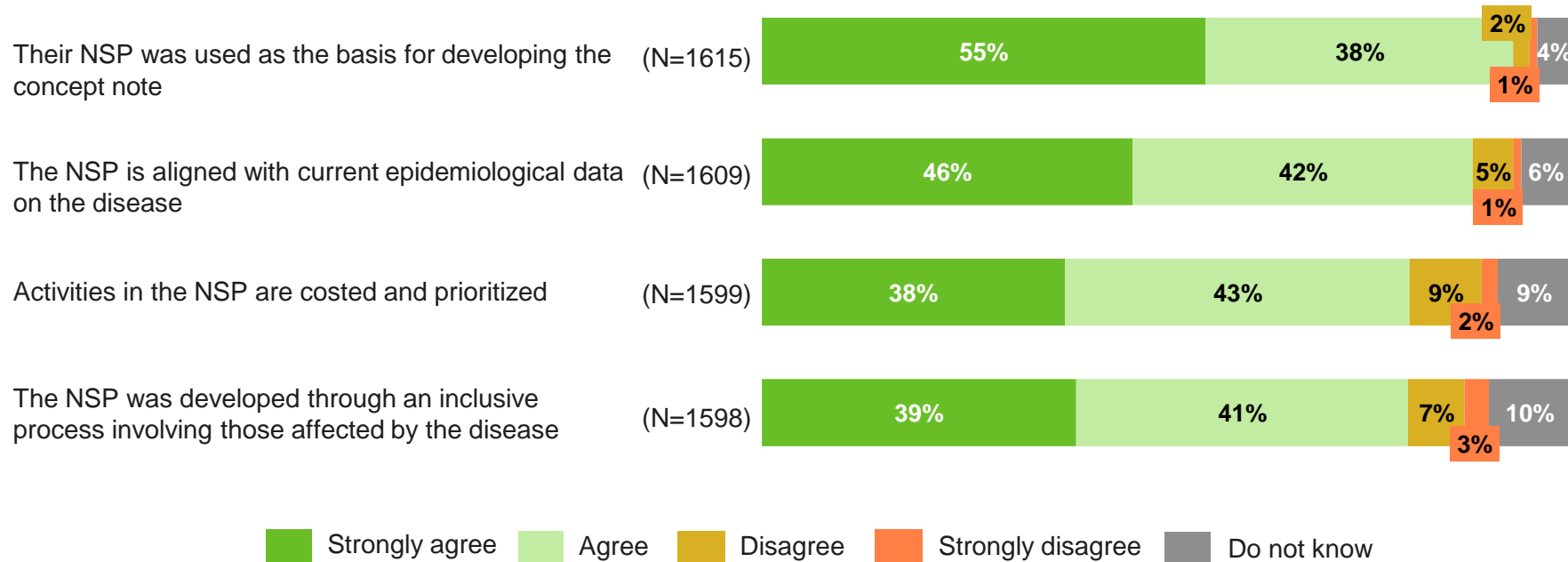
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Source: Participant survey; TRP concept note quality survey

As of: 29 March 2016

Note: Includes windows 1-9

# Survey results on the national strategic plan

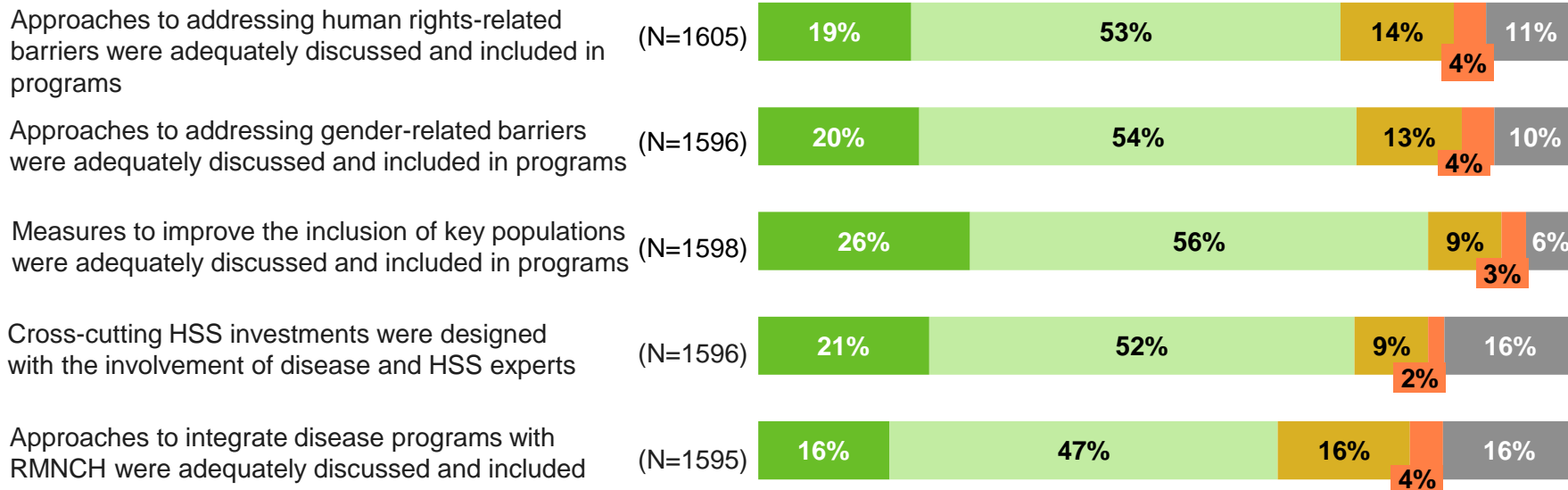


The Global Fund 37th Board Meeting, 03-04 May 2017, Kigali, Rwanda

Source: Participant survey

As of: 29 March 2016

# Survey results on human rights- and gender-related, key population, and health systems strengthening in programs



■ Strongly agree
 ■ Agree
 ■ Disagree
 ■ Strongly disagree
 ■ Do not know

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Source: Participant survey

As of: 29 March 2016