

Guidance Document

Prioritization Framework for Financing Items on the Register of Unfunded Quality Demand

August 2017

Background

The Global Fund and implementing partners have a common interest in ensuring that available funds are used to their full potential. As such, and following the Global Fund Board's approval of the Allocation Methodology¹, the Strategy Committee of the Global Fund has approved a new prioritization framework to direct the investment of additional available sources of funds² at the portfolio level.

The prioritization framework should be considered against the broader context of the Global Fund's overall approach to investment and portfolio management. In the normal course of grant management, the Global Fund Secretariat and partners work together continuously with countries to address the root causes of bottlenecks in implementation. Therefore as a first step, countries should actively reprogram potentially unutilized funds within the same country disease component throughout the grant lifecycle, including towards priorities registered as unfunded quality demand (UQD)³. Countries with implementation challenges or barriers to scale-up will not be penalized in the implementation of the prioritization framework: individual grants with low absorption will retain the possibility of catching up with spending and programmatic activities until the end of their grant implementation period.

Prioritization Framework

The Global Fund prioritization framework guides the investment of funds that become available during an allocation period, to finance items on the [Register of Unfunded Quality Demand](#) (UQD Register). The framework is designed to maximize impact and use of available funds, to achieve the aims of the [Global Fund Strategy 2017-2022: Investing to End Epidemics](#) (Global Fund Strategy).

There are three scenarios in which sources of funds may become available over an allocation period:

- (i) Additional pledges and contributions by donors;
- (ii) Unutilized funds remaining at the end of grants from a previous allocation period (e.g. 2014-2016);
- (iii) Funds forecasted to remain unutilized on an aggregated portfolio basis, subject to risk-based adjustments by the Secretariat and approval by the Global Fund's Audit and Finance Committee.

¹ GF/B35/DP10.

² As approved by the Global Fund's Audit and Finance Committee.

³ In exceptional circumstances reprogramming funds across disease components can also be approved by the Grant Approvals Committee and the Board.

All Global Fund recipient countries are eligible to have interventions registered for UQD. Quality demand is determined by the Technical Review Panel's assessment of a Prioritized Above Allocation Request (PAAR). A PAAR can be submitted with the funding request or at a later time, and can be updated during grant-making or implementation to ensure interventions listed on the UQD Register remain current.

Key principles of the prioritization framework

- Invest to maximize impact and use of available funds, to achieve the aims of the Global Fund Strategy;
- Identify and address root causes of bottlenecks in implementation and the effective use of allocated funds;
- Explore opportunities to re-invest within the disease portfolio, taking into consideration the need for flexibility to maximize impact and use of funds across the portfolio; and
- Align with the aims of the allocation methodology and the need for sustainability of Global Fund investments, in line with disease burden and country economic capacity.

Prioritization criteria

In accordance with the [allocation methodology](#), interventions on the UQD Register will be prioritized following a holistic, qualitative assessment, based on the degree to which one or more of the following criteria are met:

- Maintain Global Fund-supported essential life-saving services and programs, in accordance with the aims of the allocation methodology;
- Potential for increased measurable impact based on review and recommendations of the Technical Review Panel, prioritization relative to need, based upon critical gaps, need for sustainable scale up, and addressing bottlenecks, challenges and risks to resilient and sustainable systems for health;
- Strategic investments to strengthen sustainability of Global Fund investments and national programs and/or address specific transition challenges;
- The degree to which a country disease component's allocation is below its initial calculated amount, in order to ensure consistency with the aims of the allocation methodology;
- Additional considerations for investment in strategic and operational priorities, including alignment with catalytic investment priorities and other critical needs identified through implementation.

In addition, contextual and supporting information and operational considerations are factored into the prioritization process in recognition of the different contexts among countries, unique priorities and circumstances between diseases.

Prioritization process

Step 1: Secretariat identification of funds becoming available for investment during the allocation period .

Step 2: Approval of available funds by the Audit and Finance Committee.

Step 3: Assessment of potential recipient countries/programs with items on the UQD Register, for investment of available funds, against the following conditions: (i) the extent to which a country is meeting its co-financing requirements; (ii) whether there are existing recoveries related to the work of the Global Fund's Office of the Inspector General; and (iii) potential for increased absorption of additional investments.

Step 4: The Secretariat conducts a review of the UQD Register to prioritize registered needs in line with the prioritization criteria outlined above. The Secretariat determines items on the UQD Register to be considered for potential award, taking into account levels of funding required for the remaining period of existing grants.

Step 5: The Grant Approvals Committee reviews and recommends investments, considering available resources and the UQD Register prioritization outcomes.

Step 6: All investments of available sources of funds in grant programs are recommended by the Secretariat to the Global Fund Board for final approval.

Timing

Overall, the portfolio optimization process can be conducted at any time during an allocation period, in order to address critical gaps that remain uncovered or time sensitive needs, based on available resources. The Global Fund Secretariat will be responsible for mapping when additional funds may become available and the likely timing of the optimization process.

Reprogramming

All countries are encouraged to submit a PAAR that can be assessed for UQD. This ensures countries have pre-approved interventions to integrate into grants when savings or efficiencies are found during grant-making, or to include through reprogramming during implementation if additional funding becomes available. Countries are encouraged to actively reprogram potentially unutilized amounts within the same country disease component through the grant lifecycle, including towards priorities registered as UQD.