41\textsuperscript{st} Board Meeting

Update on the Implementation of the Amended and Restated Policy for Restricted Financial Contributions and Proposal for Revision

GF/B41/06 – Revision 1
15-16 May 2019, Geneva

Board Decision

Purpose of the paper:
This paper presents the Audit and Finance Committee (AFC) recommendation on the revisions to the Amended and Restated Policy on Restricted Financial Contributions (the “PRFC” or the “Policy”) for approval by the Board in order to further enhance the effectiveness of the Policy as a resource mobilization tool.
Decision

**Decision Point: GF/B41/DP05: Approval of the Amended and Restated Policy on Restricted Financial Contributions**

1. Based on the recommendation of the Audit and Finance Committee, the Board approves the Amended and Restated Policy on Restricted Financial Contributions, as set forth in Annex 1 to GF/B41/06 – Revision 1, which shall supersede the Amended and Restated Policy on Restricted Financial Contributions approved by the Global Fund Board in May 2017 under decision point GF/B37/DP08.

**Budgetary implications: None.**

A summary of relevant past decisions providing context to the proposed Decision Point can be found in Annex 3.
Executive Summary

Context

The importance of mobilizing additional resources from private sector donors and innovative financing mechanisms has been recognized in the Global Fund Strategy 2017-2022, the Sustainability, Transition and Co-financing Policy and the recently approved Framework on Private Sector Engagement (“PSE Framework”).

Since its adoption by the Board in 2007 and through subsequent amendments, the Policy on Restricted Financial Contributions (PRFC) has been instrumental in mobilizing additional contributions particularly from the Private Sector and Debt2Health (“Eligible Donors”). Funds raised from the private sector are significant ($924 million since 2014), however fully restricted funding is still relatively small in scale and to date only $47 million (5%) has been formally restricted to funding specific grants (through UQD).

In the context of the 6th Replenishment, the proposed amendment looks to increase the potential for resources mobilized by the private sector, while simultaneously maintaining safeguards that protect the Global Fund principles and the focus on the Global Fund core operating model, as well as facilitating a significant pool of unrestricted funding for programs.

Private sector donor funding has increasingly moved away from “major gift” like funding and towards strategic philanthropy and business aligned investments, where additionality of funding is clear. The Global Fund could be well positioned to take advantage of these trends and mobilize additional resources through a strong value-add proposition – continuing to offer core funding opportunities that demonstrate clear additionality and a results-oriented approach, but also proposing catalytic investment possibilities, which importantly indicate the potential to scale-up core change drivers, innovation and accelerate system change.

While the current Policy allows Eligible Donors to provide restricted funding, it places a limitation on amounts and does not specifically allow fundraising for other Board approved priorities, such as Catalytic Investments approved by the Global Fund Board for the relevant allocation period (the “Catalytic Investments”).

The amendment proposes to allow the limit of funds raised for grant programs to be up to the approved UQD, and to allow Eligible Donors to support other Board approved priorities, such as Catalytic Investments. Resource mobilization would continue to be framed to align, as far as possible, with Global Fund allocation and grant approval cycles.

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1 GF/B35/02 - The Global Fund Strategy 2017-2022: Investing to End Epidemics - April 2016, Strategic Objective 4: Mobilize Increased Resources - Increased programmatic and financial resources from diverse sources are needed to accelerate the end of the epidemics
2 GF/B35/04 - The Global Fund Sustainability, Transition and Co-financing Policy - April 2016, Innovative Financing: To encourage increased co-financing and program sustainability, the Secretariat will explore the use of innovative financing mechanisms in addition to the existing Debt2Health mechanism. These may include, as appropriate, budget support and blended finance/loan buy-down mechanisms, as well as Social Impact Bonds (SIBs).
3 GF/B40/DP04: Private Sector Engagement - November 2018
4 UNITAID is also included as an Eligible Donor.
5 Private Sector is defined in this paper as those institutions covered by the Framework for Private Sector Engagement – corporations, private foundations, individuals and includes partners who undertake third party fundraising campaigns
6 “Restricted Contributions” or “Targeted Funding” are contributions that have been provided by a donor with specific restrictions on how they may be used. Definitions of types of restriction are provided in the paper.
7 The UQD Register is the Global Fund Register of Unfunded Quality Demand. It contains funding application priority programs which are approved by the TRP but cannot yet be fully funded from the Global Fund allocations. UQD interventions can be funded by additional resources that become available throughout the respective allocation period (from the portfolio optimization process, restricted contributions, or co-investments)
Questions this paper addresses

A. What changes are proposed? Are they fit-for-purpose? Why are they requested now?
B. What are the benefits vs the risks?
C. What are the operational implications?

Conclusions

A. The proposed Policy amendments to remove current limitations on additional funding and to allow private sector donors to support catalytic funding initiatives will enhance the Global Fund’s value-add proposition in view of the emerging trends among private sector donors towards strategic philanthropy. There is already clear appetite and hence opportunity to mobilize further funding in support of Global Fund priorities, such as for resistant malaria elimination; gender equity; community health, including improving the collection and use of data for community health.

B. The proposed changes would facilitate new opportunities, particularly with private sector donors, while continuing to ensure resource mobilization is only defined by Global Fund priorities - only allowing fundraising for Board approved grants and/or Board approved initiatives (Catalytic Investments).

C. The Secretariat has carefully considered the potential operational implications and risks related to the proposed revisions. The Secretariat believes that the identified risks can be appropriately managed and monitored through existing processes and procedures, including reporting to the AFC on progress under the revised Policy, Board approval of grants supported and Board approval of catalytic investment priorities.

Input Sought

The Board is requested to approve the revisions to the Policy recommended by the AFC based on the rationale outlined in this paper.

Input Received

The Secretariat presented an update on the implementation of the PRFC and the revision proposal at the 9th AFC meeting (March 2019). The risks and operational implications of the policy revisions were discussed, including the risk of creating a donor-driven funding stream and the possible effect on unrestricted funding and/or Catalytic Investments.

The AFC unanimously endorsed the revised Policy and requested the Secretariat to ensure this paper reflects the points raised during the Committee discussion. The AFC requested continued updates from the Secretariat on funds raised through this mechanism.
Background and definitions

1. The PRFC has been amended, in step with the evolution of the Global Fund operating model, to provide opportunity to raise additional funds. The original PRFC approved at the 15th Board Meeting (April 2007) enabled Eligible Donors to notionally target their contributions to Secretariat OPEX or Board-approved grants (“Restricted Financial Contributions” or “RFCs” – see Figure 1). In November 2009, Debt2Health was subsequently included in the Policy as an additional resource mobilization tool.

2. With the adoption of an allocation-based funding model and UQD Register, the Policy was revised to enable targeted contributions to support UQD, thus creating the Complementary Restricted Financial Contributions” or “CRFCs” modality – see Figure 1. The most recent Policy amendment (37th Board Meeting - May 2017) enabled contributions to support a “specific area or intervention” within the UQD register. This made the Global Fund a more attractive investment target for mission-driven donors seeking to support specific geographies, disease components and interventions aligned with their mandate.

Figure 1 – Effect of Restricted Contributions

3. The current Policy, together with the PSE Framework, provides a framework that is designed not only to offer an attractive option for Eligible Donors, but also provides benefits to donors, countries and the Global Fund. For example:

- Country allocations are not distorted by this process, but as with portfolio optimization, critical gaps registered as UQD can be filled by additional funding.
- Global Fund processes provide assurance to the donor that investments are programmatically sound and aligned with national health strategies;
- Cost efficiencies or economies of scale in procurement, program implementation and monitoring and evaluation are enhanced, as opposed to having parallel investments (i.e. where a private donor makes a direct contribution to the implementer); and
- There is potential to unlock additional resources for the Global Fund through matching mechanisms.

8 GF/B20/DP17: Expansion of Debt2Health – November 2009
10 GF/B37/DP08: Approval of Revisions to the Amended and Restated Global Fund Policy for Restricted Financial Contributions - May 2017
What is the need or opportunity?

4. The importance of mobilizing additional resources from private sector donors and innovative financing mechanisms has been recognized in the Global Fund Strategy 2017-2022 11, the Sustainability, Transition and Co-financing Policy12 and the PSE Framework13. Private sector partners and innovative financing mechanisms are important sources of new funding that will help the Global Fund achieve the level of resource mobilization ambition set by the Sixth Replenishment Investment Case14.

5. Funds raised from the private sector are significant, however fully restricted funding is still relatively small in scale. Since the 2014 PRFC amendment, total private sector funding amounted to $924 million. Out of this, $632 million is unrestricted. Notionally restricted funding, which has the effect of increasing the overall portfolio of funds for the Global Fund (see Figure 1), totaled $244 million (or 27% of total private sector contributions). To date, only $47 million (5%) has been formally restricted to funding specific grants (through UQD). However, formally restricted funding recorded the highest percentage growth in this period (162%), demonstrating the value to Eligible Donors of this funding modality.

6. The Secretariat believes there is a possibility to increase resource mobilization from the private sector specifically by recognizing clear trends that are emerging among private donors. Private foundations and corporations are increasingly shifting away from unrestricted Corporate Social Responsibility (CSR) or “major gift” contributions and are adopting more targeted approaches or “strategic philanthropy” initiatives. Similarly, Global Fund pledges over the last three replenishments have also seen a significant shift from simple Corporate CSR and Faith Based “major gifts” towards philanthropy, alongside Product (RED), as central elements. Continuing to build the pipeline and resource mobilization requires adaptive approaches to attract and maintain significant funding levels.

7. Corporations and philanthropists are keen to play innovative and catalytic roles, focusing on cross-cutting themes and innovation, as well as where additionality of their funding is clear. The Global Fund is well positioned to take advantage of these trends and mobilize additional resources by building a strong value-add proposition for private funders, offering investment opportunities that demonstrate clear additionality, a results-oriented approach and, critically, the ability to scale-up core change drivers, innovation and accelerate system change.

8. However, the current Policy has limitations, which in some cases do not allow the Global Fund to fully leverage the possibilities with existing and new private sectors donors. The current Policy:

- Imposes a maximum limit of RFC/CRFC equal to “the total sum of Global Fund financing committed to any grant receiving such contributions, ensuring that the programmatic results of such grants remain primarily attributable to contributions from all Global Fund donors”. RFC/CRFC is considered Global Fund funding and with the shift in Global Fund performance measurement approach, the concerns on attribution are no longer relevant. Removing the limit would facilitate resource mobilization alongside smaller grants in the Global Fund portfolio where additionality is high.

- In addition, the Policy does not specifically allow for Eligible Donors to support other Board approved initiatives, including Catalytic Investments. Given the shifts in philanthropy and the desire of many private donors to catalyze change at scale, the Global Fund has a significant opportunity here to offer a strong platform for engagement.

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11 GF/B34/02 - The Global Fund Strategy 2017-2022: Investing to End Epidemics - April 2016, Strategic Objective 4: Mobilize Increased Resources - Increased programmatic and financial resources from diverse sources are needed to accelerate the end of the epidemics
12 GF/B35/04 - The Global Fund Sustainability, Transition and Co-financing Policy - April 2016, Innovative Financing: To encourage increased co-financing and program sustainability, the Secretariat will explore the use of innovative financing mechanisms in addition to the existing Debt2Health mechanism. These may include, as appropriate, budget support and blended finance/loan buy-down mechanisms, as well as Social Impact Bonds (SIBs).
13 GF/B40/DP04: Private Sector Engagement - November 2018
14 Sixth Replenishment Investment Case
9. The Secretariat has already identified an initial prospective pipeline with Eligible Donors that could be unlocked in the context of the amendments proposed.

What do we propose to do and why?

Proposed changes to the policy

10. To further leverage additional sources of funding from Eligible Donors, the following Policy amendments are proposed:

- Remove the current limitations under the Policy to enable Eligible Donors to contribute funds to a grant that may be equal to or more than the Global Fund financing committed to such grant. As with the current Policy, any grant that receives additional funding would be subject to Board approval and follow normal Global Fund review and approval processes.
- Allow Eligible Donors to contribute restricted and/or complementary restricted funding for Board approved Catalytic Investment priorities and/or other Board approved initiatives.

11. The proposed amendments to the PRFC are detailed in tracked changes in Annex 1.

Implementation

12. As in the current implementation of the Policy, restricted contributions (see Definitions above) by Eligible Donors will either 1) in effect through notional restriction replace Global Fund core funding to grants or Catalytic Investments, allowing funds to be released to overall Global Fund portfolio funding of country allocations or 2) increase funding of grant portfolios via pre-approved UQD or increase the funding envelope available for Catalytic Investments or other Board approved initiatives.

13. Under the new category of “Restricted Contributions to Other Board Approved Priorities” in the proposed revised PRFC, only Board approved Catalytic Investment priorities or other Board approved initiatives will be eligible for restricted and/or complementary restricted contribution funding. All increases in funding for Catalytic Investments will be approved by the Grant Approvals Committee (GAC) and for grants, in line with current practice, will be recommended for Board approval.

14. Resource mobilization activities will be framed to align with Global Fund grant allocation and catalytic financing cycles wherever possible, to reduce transaction costs and increase alignment with Global Fund strategic framing.

Risk Mitigation

15. The AFC specifically raised the risk of dilution to the Global Fund core model. To ensure that the core Global Fund model is not diluted, resource mobilization will continue to be defined only by Global Fund priorities and only allowed for Board approved grants and/or Board approved initiatives (Catalytic Investments). While the additional contributions may not match the exact shape of Global Fund allocations, the current scale of restricted contributions is unlikely to significantly impact on the overall profile of funding.

16. Alignment is further supported as all private sector contributions must comply with the PSE Framework which also considers conflicts of interest\(^\text{15}\), as well as with the Comprehensive Funding Policy (CFP)\(^\text{16}\). For example, contributions are reviewed by the PSE Committee under the PSE Framework and the PRFC to ensure that contributions will not result in unreasonable transaction

\(^{15}\text{GF/B40/DP04: Private Sector Engagement - November 2018}\)
\(^{16}\text{GF/B36/DP04: Approval of the Amended and Restated Comprehensive Funding Policy}\)
costs for the Global Fund, substantive changes to the Global Fund systems or processes, or any deviation from the Global Fund rules and procedures.

17. The Secretariat provided a comprehensive risk and mitigation analysis to the AFC and believes that the proposed PRFC changes will not undermine the core elements of the Policy to ensure that restricted financial contributions contribute efficiently to Global Fund priorities and do not create a separate donor-driven stream of funding.

18. The Secretariat will continue to report to the AFC, in accordance with the PRFC, on progress under the Policy detailing funds raised and trends in the respective categories, the effectiveness of risk mitigation activities and the outlook for future mobilization.

What do we need to do next to progress?

What is required to progress the proposal?

19. The Board is requested to review and approve the proposed revisions to the Policy in Annex 1 and the relevant Decision Point is on page 2.

What would be the impact of delaying or rejecting the decision to progress?

20. Delaying or rejecting the decision would reduce the ability of the Global Fund to take advantage of significant additional resource mobilization opportunities that would support the achievement of the Sixth Replenishment target of mobilizing at least $1bn from the private sector and position the Global Fund for further resource mobilization growth going forward.

Recommendation

21. The AFC recommends the Decision Point presented on page 2 to the Board.
Annexes

The following items can be found in Annex:

- Annex 1: Amended and Restated Policy on Restricted Financial Contributions
- Annex 2: Summary of Committee Input
- Annex 3: Relevant Past Decisions
- Annex 4: Links to Relevant Past Documents & Reference Materials
Annex 1 – Policy document for approval

Amended and Restated Policy on Restricted Financial Contributions

1. Guiding Principles

The Board acknowledges the need to accommodate restricted financial contributions in order to fully realize the Global Fund’s mission of mobilizing significant additional resources for the fight against AIDS, tuberculosis and malaria, and authorizes the Secretariat to mobilize and accept such contributions which represent additional new funding in accordance with the following guiding principles:

a. Restricted financial contributions to the Global Fund shall be limited to those from private donors and a limited number of public mechanisms approved in advance by the Board for this purpose (the “Eligible Donors”); The Global Fund shall not accommodate restrictions on contributions through Official Development Assistance, thereby ensuring that the majority of contributions to the Global Fund remain unrestricted.

b. Restricted financial contributions shall be used solely for the purpose of supporting grants or other priorities approved by the Board and activities of the Secretariat in line with the recipient-driven, Board-determined priorities of the Global Fund; and

c. Restricted financial contributions shall not result in unreasonable transaction costs for the Global Fund, substantial changes to Global Fund systems and processes, or the responsibilities of the Trustee, or any deviation from Global Fund rules and procedures. The Secretariat shall maintain the accounting records necessary to record restrictions attached to contributions and to identify the expenditure that satisfies such restrictions.

For these purposes "restricted financial contributions" (sometimes referred to as "targeted funding" or "earmarked funding") has the meaning assigned by accounting standards applicable to contribution income, i.e. contributions which have been provided by a donor with specific restrictions on how they may be used by a recipient.

2. Restricted Financial Contributions for Grant Activities

The Board authorizes the Secretariat to mobilize and accept contributions which are restricted to broad categories of expenses such as by disease and region (e.g. AIDS grants in Africa), to specific grants and/or to the procurement of specific goods and services, provided that:

a. such restricted financial contributions comply with the Guiding Principles outlined in paragraph 1 above; and

b. such restricted financial contributions are made through the Global Fund and support only the activities and priorities within a grant approved by the Board; and

c. the total amount of restricted financial contributions is less than the total sum of Global Fund financing committed to any grant or activity receiving restricted financial contributions, ensuring that the programmatic results of such grants or activities are attributable, not just to the restricted financial contributions, but to contributions from all Global Fund donors.
3. Complementary Restricted Financial Contributions for Unfunded Quality Demand (UQD)\textsuperscript{17}

The Board authorizes the Secretariat to mobilize and accept contributions that provide additional and complementary funding to a grant program approved by the Board or the resultant grant program of a country or multi-country component’s concept note (the “Complementary Restricted Financial Contribution”), provided that:

a. Complementary Restricted Financial Contributions comply with the Guiding Principles outlined in paragraph 1 above;

b. Complementary Restricted Financial Contributions may only be restricted to support the unfunded quality demand of a country, multi-country or country disease component;

c. Although Complementary Restricted Financial Contributions may be excepted from parts of the process adopted by the Strategy Committee for prioritizing and awarding resources available to unfunded quality demand, particularly with respect to annual assessments of additional resources that may be available for unfunded quality demand and the prioritization of items on the unfunded quality demand register, such contributions are subject to the Amended and Restated Comprehensive Funding Policy (the “CFP”) and standard financial and operational processes;

d. Complementary Restricted Financial Contributions are made through the Global Fund and subject to funding approval by the Board, based on the Secretariat’s matching of sources and uses of funds arising from such contributions, prior to inclusion in a grant program; and

e. Unutilized portions of Complementary Restricted Financial Contributions are expected to become unrestricted sources of funds available for the Global Fund grant portfolio and any alternative treatment must also comply with the Guiding Principles outlined in paragraph 1 above; and

f. The total amount of Complementary Restricted Financial Contributions is less than the total sum of Global Fund financing committed to any grant receiving such contributions, ensuring that the programmatic results of such grants remain primarily attributable to contributions from all Global Fund donors.

4. Restricted Contributions to Other Board Approved Priorities

The Board authorizes the Secretariat to mobilize and accept contributions which are restricted to, and may provide additional and complementary funding for Board approved catalytic investment priorities or other Board approved initiatives not otherwise covered under this Policy (the “Complementary Restricted Funding Initiatives”), provided that:

a. Complementary Restricted Funding Initiatives comply with the Guiding Principles outlined in paragraph 1 above and are made through the Global Fund;

b. Unutilized portions of Complementary Restricted Funding Initiatives are expected to become unrestricted sources of funds available for the Global Fund grant portfolio and any alternative treatment must also comply with the Guiding Principles outlined in paragraph 1 above;

c. Complementary Restricted Funding Initiatives are subject to the CFP and standard financial and operational processes; and

\textsuperscript{17} As defined in GF/B28/DP4 and further described in GF/S1IC09/DP02.
d. Complementary Restricted Funding Initiatives will be allocated to Board approved priorities or initiatives subject to the applicable Global Fund rules and regulations (including Board approval, if allocated to grant programs), based on the Secretariat’s matching of sources and uses of funds arising from such contributions.

5. Restricted Financial Contributions for Secretariat Activities

The Board authorizes the Secretariat to mobilize and accept restricted financial contributions for use to pay for Secretariat activities. Such restricted financial contributions may be made either directly to the Global Fund or to third parties in payment for liabilities of the Global Fund, provided that such contributions comply with the Guiding Principles outlined in paragraph 1 above.

6. Oversight

The Board requests the Secretariat to provide the Audit and Finance Committee (the “AFC”) with progress updates on the implementation of this Amended and Restated Global Fund Policy for Restricted Financial Contributions (the “Amended and Restated Policy”), including:

a. A report on the results of mobilizing contributions under this Amended and Restated Policy, which outlines the programs and priorities receiving such contributions and will be presented to the Strategy Committee relevant Committee of the Board with oversight of such matters for consideration of any associated strategic investment matters; and

b. Identification of new public mechanisms for inclusion in the Amended and Restated Policy.

The Board delegates to the AFC the authority to approve new public mechanisms proposed by the Secretariat for inclusion in the Amended and Restated Policy, and acknowledges UNITAID and Debt2Health as approved public mechanisms.

The Board further requests the AFC to consider new developments as they arise and to propose any changes to the Amended and Restated Policy deemed appropriate by the AFC for adoption by the Board.
**Annex 2 – Summary of Committee Input**

The AFC discussed the following points:

1. **Potential benefits and fit-for-purpose**: the size of the opportunity the proposed changes are expected to unlock, and the respective Global Fund priorities these additional resources intended to support, and whether this is a necessary response for the Global Fund to adapt to the changing private sector donor context towards more strategic funding approaches.

2. **Risk analysis**: how the Secretariat would assess and minimize the potential risk that the proposed amendments could result in a shift of contributions away from the core Global Fund model of allocation or in creating a donor-driven stream of funding.

3. **Implementation, scope and definitions**: How would the implementation of restricted contributions work in catalytic investments, and whether the restricted financial contributions in general would modify the country allocations; whether contributions to the Global Fund's operational expenditure items were being considered. The AFC asked for clarification on the definition of the term “private sector” as used in the paper.

In conclusion, the AFC unanimously approved the decision point, recommending the Amended and Restated Global Fund Policy for Restricted Financial Contributions, as revised and set forth in Annex 1 to GF/AFC09/14 for approval by the Board at its Forty-First Meeting in May 2019.

The Secretariat confirmed it (i) would update the paper that will go to the Board to reflect the clarifications requested by the AFC and (ii) will provide regular updates on restricted contributions raised through the PRFC and on the programs and priorities receiving such contributions.
## Annex 3 – Relevant Past Decisions

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<th>Relevant past Decision Point</th>
<th>Summary and Impact</th>
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<tr>
<td>GF/B40/DP04: Private Sector Engagement (November 2018)</td>
<td>The Board acknowledged the need to expand engagement with the private sector, took note of the revised Framework on Private Sector Engagement (the “Secretariat PSE Framework”), and confirmed the importance of the role played by the private sector in the Global Fund’s resource mobilization strategy in providing both financial and non-financial resources to increase the scale and effectiveness of the Global Fund’s efforts to fight AIDS, tuberculosis and malaria.</td>
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<tr>
<td>GF/B37/DP08: Approval of Revisions to the Amended and Restated Global Fund Policy for Restricted Financial Contributions (May 2017)</td>
<td>The Board approved two revisions to paragraph 3 of the Amended PRFC relating to Complementary Restricted Financial Contributions (“CRFC”), based on lessons learned, to facilitate implementation in the 2017-2019 allocation period.</td>
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<tr>
<td>GF/B32/DP13: Approval of the Amended and Restated Global Fund Policy for Restricted Financial Contributions (“Amended PRFC”) (November 2014)</td>
<td>In light of the changes to the Global Fund’s model, the Board introduced an amendment to the Policy on Restricted Financial Contributions permitting eligible donors (i.e., private sector donors and approved public mechanisms) to target contributions towards unfunded quality demand at the country or country-component level, generating additional resources beyond the initial allocation or Board approved grant amount but precluding eligible donors’ ability to prescribe the specific items of unfunded quality demand that would be financed.</td>
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<tr>
<td>GF/B20/DP17: Expansion of Debt2Health (November 2009)</td>
<td>After a successful pilot launched in 2007, Debt2Health was incorporated “as an additional means of resource mobilization”. The Board also approved a PRFC amendment that allowed the restricting of Debt2Health proceeds for Global Fund approved programs, countries and activities.</td>
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<tr>
<td>GF/B15/DP29: Global Fund Policy for Restricted Financial Contributions (“PRFC”) (April 2007)</td>
<td>Restricted financial contributions—also referred to as “earmarked funding” or “targeted funding”—are contributions that have been provided by a donor with specific restrictions on how they may be used. The PRFC was approved by the Board to increase resource mobilization opportunities by accommodating certain donors’ desires to target their support for the Global Fund to specific priorities and activities within Board-approved Global Fund grants or Secretariat activities. Only private sector donors, such as corporations, foundations and high net-worth individuals (“HNWIs”), and a limited number of public mechanisms expressly approved in advance may make restricted contributions. To date, two public mechanisms have been approved for inclusion: UNITAID and Debt2Health.</td>
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18 [https://www.theglobalfund.org/board-decisions/b40-dp04/](https://www.theglobalfund.org/board-decisions/b40-dp04/)
19 [https://www.theglobalfund.org/board-decisions/b37-dp08/](https://www.theglobalfund.org/board-decisions/b37-dp08/)
20 [https://www.theglobalfund.org/board-decisions/b32-dp13/](https://www.theglobalfund.org/board-decisions/b32-dp13/)
21 [https://www.theglobalfund.org/board-decisions/b20-dp17/](https://www.theglobalfund.org/board-decisions/b20-dp17/)
22 [https://www.theglobalfund.org/board-decisions/b15-dp29/](https://www.theglobalfund.org/board-decisions/b15-dp29/)
### Relevant past Decision Point

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<tr>
<td>GF/SC09/04: Allocation Methodology for the 2020-2022 Allocation Period (March 2019)</td>
<td>Based on its review and discussion of the Secretariat and technical partners’ analysis and recommendations, the Strategy Committee (the “SC”) (i) approved the updated technical parameters for the 2020 – 2022 allocation period, which replaced those used for the 2017 – 2019 allocation period, as previously approved under decision point GF/SIIC17/DP05; (ii) endorsed recommending the revised Allocation Methodology to the Board; and (iii) recommended to the Board that no more than USD 800 million of sources of funds available for country allocations be used to ensure scale-up, impact and paced reductions in funding.</td>
</tr>
<tr>
<td>GF/AFC09/DP04 Amendments to the Policy on Restricted Financial Contributions (March 2019)</td>
<td>The AFC recommended to the Board the revisions to the PRFC to allow eligible donors to contribute to the board approved catalytic investments and other initiatives. The recommended revisions to the PRFC also allow the eligible donors to contribute to the Global Fund programs without existing restriction under which donor contribution shall be less than the Global Fund commitment to the relevant program.</td>
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### Annex 4 - Links to Relevant Past Documents & Reference Materials

**GF/B40/DP04: Private Sector Engagement (November 2018)**
https://www.theglobalfund.org/media/8382/core_privateseectorengagement_framework_en.pdf

**GF/B37/DP08: Approval of Revisions to the Amended and Restated Global Fund Policy for Restricted Financial Contributions (May 2017)**
https://www.theglobalfund.org/media/6411/bm37_04-implementationamendedprfc_update_en.pdf?u=636898876000000


**GF/B20/DP17: Expansion of Debt2Health (November 2009)**
https://www.theglobalfund.org/media/3822/bm20_06fac_report_en.pdf