Community Update for Key Population and Civil Society Advocates

The 2017-2019 Global Fund Funding Cycle: Highlights of the differentiated funding application process

What you should know and how to engage!

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INTRODUCTION

This alert provides an update to community groups who have been or are planning to be involved with the Global Fund to Fight AIDS TB and Malaria as an implementer, advocate, or member of a Country Coordinating Mechanism (CCM).

The alert:

> focuses on the changes that have been announced by the Global Fund pertaining to how countries will apply for funding during the upcoming funding period (2017-2019);

> offers background information on important processes and decisions that will take place in early 2017;

> provides advice on how groups can begin to get prepared and how they can request technical assistance, if needed; and

> will be followed by updates, links to tools, and other resources as they become available.

BACKGROUND

In 2014, the Global Fund revised the way it funded programs, moving from a competitive rounds-based application process where only about 50% of applicants were successful. The **new funding model** (NFM), as it was called at the time, allocates a fixed grant amount to each country based on an allocation formula designed to distribute the money available, taking into account burden of disease and ability to pay. Central to the approach introduced in 2014 was the concept of **country dialogue**, which is the term used to describe an ongoing multi-stakeholder discussion, including Key populations, beginning with the development of **national strategic plans** (NSP)[1] and continuing through grant making, implementation, monitoring, evaluation, and reprogramming. An important step in the **country dialogue process is the funding request development** (formerly known as the concept note), which mandates meaningful engagement of a wide range of stakeholders, including government, civil society, affected populations, academics, implementers, and the private sector, among others. A successful funding request rested on a country's ability to mobilize all sectors to analyze country needs and develop a **prioritized plan**.[2] These plans then formed the basis on which the grants were developed. Countries are required to prove that an inclusive process involving key and vulnerable populations took place to develop the funding request.

In a survey conducted by the Global Fund, 73% of the respondents agreed or strongly agreed that the application process under the NFM was better than under the rounds-based system. In light of this, the Fund will use a very similar approach in the next funding cycle (2017-2019).

The Fifth Replenishment held in Montreal, Canada in September 2016 raised $12.9 billion. **The amount available for allocations to countries in 2017-2019 will be $10.3 billion** because of a series of adjustments that had to be made to the initial amount, such as Global Fund operating costs and currency modifications. One of the adjustments actually increased the amount available for the allocations: **the addition of $1.1 billion in forecasted unused funds from the 2014-2016 allocation**.[3] The funding split between diseases will be as follows: HIV 50%, TB 18%, and Malaria 32%.

The Secretariat uses a **board-approved formula** to determine how much will be allocated to each country based on the country's economic capacity (measured by GNI per capita) and disease burden (as determined by technical partners). The Secretariat calculates a distribution between the diseases and will advise each country in December of the level of funding they can anticipate for the next three-year funding period. **CCMs are invited to review the split between diseases and reallocate based on their priorities**.

The Global Fund has introduced a few changes, building on recommendations from the technical evaluation reference group (TERG), Country Coordinated Mechanisms (CCM), and fund portfolio managers (FPMs).

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1   A national strategic plan refers to the high level strategic document developed by national health authorities in consultation with civil society, the private sector, and other stakeholders to guide the managing and implementing of programming to address a country's health concerns. The NSP will lay out the broad scope of interventions and priorities and will cover a 3-5 year time frame. There will normally be a separate NSP for each disease area. The disease specific program areas will come together under the national health sector plan.

2   For more information on the expectations for CCMs regarding meaningful engagement of communities in funding agreement development processes, see CCM Eligibility Requirements, Minimum Standards & Updated Guidelines. *http://www.theglobalfund.org/en/ccm/guidelines*

3   Global Fund Observer Newsletter Issue 300: 18 November 2016

The changes in the 2017-2019 allocations and funding processes are as follows:

No incentive funding. No full expression of demand.

The 2014-2016 access to funding processes required countries to submit documentation on what the full cost of delivering on their national strategic plans (NSP) would be if it were to be fully funded. Based on feedback from the Technical Review Panel (TRP), this policy has been revised. Beginning with the 2017-2019 funding cycle, **countries will be asked to submit a prioritized above-allocation request – a list of prioritized programing components amounting to 30% to 50% above their allocation.** If the above allocation programming is assessed by the TRP to be of sufficiently high quality, it will be included in the **Registry of Unfunded Quality Demand (UQD)**, which means it can be funded in the event additional money becomes available – this may occur via program efficiencies, portfolio optimization, matching funds, private sector contributions, or debt2health initiatives. In the 2014-2016 allocation period, approximately $700 million was made available for UQD.

No consolidation of funding across allocation periods.
On-going portfolio optimization.

In the transition period between the rounds-based model and the allocation-based model, countries were able to reallocate funding that was not spent during their rounds-based grant to the 2014-2016 allocation period. This carryover provision is being eliminated in an effort to align funding to countries' absorptive capacity and to free up underused funds to be reallocated. **In other words, countries that have underspent in their current allocation cannot carry over funds to the next allocation.** In addition, the Secretariat will apply portfolio optimization efforts throughout the grant period and will proactively support program revisions at any time during the cycle. Program revisions will be easily applied, provided the rationale is sound.

CATALYTIC INVESTMENTS [4]

US$800 million is earmarked to support impactful initiatives including:

i) **Matching funds** to incentivize countries to prioritize and **direct country allocations towards strategic epidemiological and context-specific challenges** as recommended by the Global Fund and technical partners. These funds would be assessed at the time of reviewing the funding request for a country's allocation, and would require the use of country allocations in addition to matching funds from the catalytic investment. Priority categories of programming being considered are shown in Annex B. The operationalization of this initiative is not yet finalized and procedures may vary depending on the funding modality a country is assigned to. (The three possible funding modalities to which a country will be assigned are described below.)

ii) **Multi-country approaches** (previously referred to as regional grants). In the NFM, there was an open call for expressions of interest for regional grants. During the 2017-2019 funding period, the **Global Fund will identify the types of initiatives and regions that will be prioritized**. Types of multi-country projects being considered are shown in Annex B. Multi-country approaches will be allocated at 34% of the catalytic investments, or $247 million. Regional grants were allocated at about $264 million in the 2014-2016 funding cycle.[5]

iii) **Strategic initiatives** that are designed to support approaches approved by the Board for activities that are believed to be critical to the success of country allocations, but not able to be funded through country allocations due to their cross-cutting, innovative, or off-allocation cycle nature. Impactful initiatives being considered are shown in Annex B. It is important to note that the Community, Rights and Gender (CRG) department will receive $15 million to support community engagement including through technical support, regional communication and coordination platforms, and other targeted initiatives.

Some key points to note[6] :

- Access to technical assistance will be expanded. The Board paper suggests that technical assistance will now be available throughout the funding model (whereas previously it was only available up until the grant signing stage).

- Key populations capacity building will be broadened to better integrate capacity building of TB and malaria communities.

Details on how to apply for CRG technical assistance is available at: *http://www.theglobalfund.org/en/fundingmodel/technicalcooperation/communityrightsgender/*
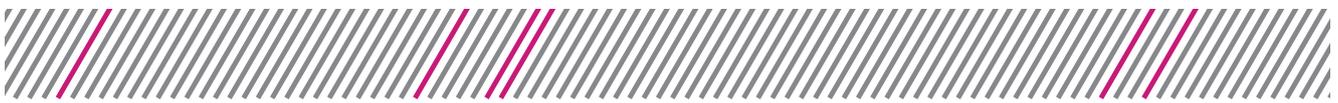
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4   See Annex A for details on board approved Catalytic Investments as of November 2016

5   See *http://www.theglobalfund.org/en/fundingdecisions/ Regional Funding Decisions*

6   See: *http://www.aidspan.org/gfo_article/board-approves-15-million-continuation-strategic-investments-community-rights-and-gender*

DIFFERENTIATION

The concept of differentiation was introduced as an 'enabler' in the 2017-2022 Global Fund Strategy. Among other things, differentiation calls on the Fund **to simplify its processes and ensure they are more tailored to the current needs and conditions of each country**. The initiative also allocates financial and human resources based on where the attention is most needed and where it will have the greatest impact on health outcomes. **See Annex B for more info on the characteristics of the new country categories**: Focused, Core, and High Impact. Differentiation is also reflected at the Secretariat level in terms of how staff resources have been reassigned. One FPM will be responsible for four or five focused countries, while high impact countries will be supported by an FPM and a team of specialists in M&E, finance, procurement, and other areas.

DIFFERENTIATION OF FUNDING APPLICATION MODALITIES

The realignment of country categories allowed the Fund to update the way countries apply for funding. While previously all countries had the same forms and processes to follow, the differentiated approach means that the **Secretariat will assign countries and the disease components applicable in a country to a specific application modality for the 2017-2019 allocation period.** The premise is that a small dollar value grant in a low disease burden country should not have to go through the same steps to receive funding as a country with high disease burden and a high funding level.

If a country qualifies for program continuation modality, for example, it will only need to submit a two- to five-page checklist to the TRP. Information required from countries applying under the tailored modality will be further differentiated according to circumstance – for example, the questions asked for a challenging operating environment (COE)[7] will differ from the questions a country in transition will be asked to respond to. (Countries in transition is the term used to refer to countries whose eligibility to receive funding from the Global Fund is coming to an end as per the Global Fund funding policies)[8]

Countries and the disease components applicable in a country are assigned to **one of the following application processing modalities based on several factors**, including: dollar value of the grant, complexity of programming, results and performance, level of complexity, risk, application focus, co-financing requirement, progress on addressing TRP or Grant Approval Committee (GAC)[9] recommendations:

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7   Challenging operating environments are countries or regions that are currently facing a number of complicated circumstances and situations that make it difficult to implement programming and measure impact. For example, a challenging operating environment could include a country with: weak or unstable political situations (i.e. war or terrorism); poor access to health services (i.e. severe shortages of doctors and nurses); man-made or natural crises and disasters (i.e. earthquakes or floods); outbreaks of other diseases (i.e. Ebola) EANASO, 2015: *A Community Guide to the Global Fund's Challenging Operating Environments Policy*

8   For more information on eligibility and transitions see *http://www.theglobalfund.org/en/fundingmodel/process/eligibility/*

9   The GAC is made up of senior Global Fund staff with non voting input from technical partners such as UNAIDS, WHO, and civil society.
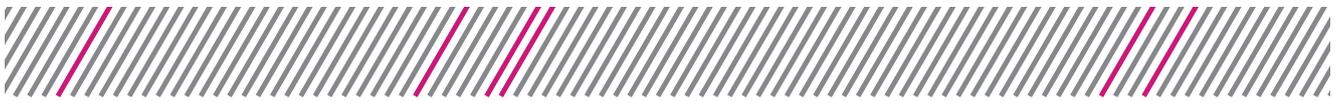
> **Program continuation:** This option is primarily for focused and core country components, although high impact countries can be considered for this modality on a case-by-case basis. This modality will be applicable if there have been **fewer than two years of implementation with demonstrated performance and no material change** – i.e. the conditions in the country have not changed since the last application and there are no new concerns such as a spike in prevalence or new diagnosis or treatment regimens that should be introduced. The Secretariat makes an initial determination of materiality, which is reviewed and validated by the country.

> **Tailored review**: This modality is designed to match the country context and how it fits within the development continuum. This modality is for country components only requiring defined material change, for countries receiving transition funding, for challenging operating environments with country components undergoing material change, or for learning opportunities such as the national strategy pilot and results-based financing applications.

> **Full review:** For high impact country components, focused and core country components requiring thorough review, and country components not reviewed by the TRP in the previous allocation period.

A country could be required to go through the full review process for one disease component and a tailored or program continuation modality for another component. The technical review processes will also vary according to the funding modality used.

HOW WILL THIS IMPACT YOUR COUNTRY

CCMs will receive letters in mid-December advising them how much money they have been allocated for the 2017-2019 period and which application modalities they will be required to follow. The letter will also specify the **recommended amount allocated to each disease area.** The Global Fund will not specify the amount to be allocated to fund **resilient sustainable systems for health (RSSH) activities** – this will have to come from the disease funding allocations.[10] The allocation letters will not be made public.

Community representatives on CCMs will need to share information with the broader community regarding the amount allocated to their countries and the application modality to which they have been assigned. By sharing this information, they will be able to seek input from their constituencies.

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10   Resilient and sustainable systems for health (RSSH): see info note available at *http://www.theglobalfund.org/en/publications/*

CCM REQUIREMENTS

CCM eligibility requirements 1 (inclusive country dialogue) and 2 (open and transparent PR selection) will continue to apply. This means that CCMs are required to demonstrate that they have organized an inclusive, participatory funding request development process, even if the country is applying through a simplified track such as the program continuation modality.

The compliance to CCM Eligibility Criteria is verified by the CCM Hub at the Secretariat before funding requests are submitted to the TRP for review. The level of proof of compliance required is tailored to country circumstances and past performance of the CCM as measured by the annual performance assessment tool, referred to as the **Eligibility and Performance Assessment (EPA).**[11] The CRG department will be asked to **assess the level of risk for countries to comply with Eligibility Criteria 1,** for instance by means of flagging any cases where human rights and gender considerations have not been adequately addressed or where there have been challenges to engage key and vulnerable populations.

Based on this information, countries will be assigned to the **standard, light, or super light review modalities.** The standard modality will require the CCM to write an eligibility narrative and submit supporting documents. In the light and super light modalities, CCMs will be asked to confirm that they are compliant with the eligibility requirements and that they are willing to submit documentation such as meeting minutes if requested to do so by the Global Fund.

In the context of developing a request for program continuation modality, for example, this means that key and vulnerable populations must be engaged in discussions regarding program splits and in the development of a plan to address any programming gaps. The Secretariat wants to make sure key and vulnerable populations who are the focus of the program – but are not represented on the CCM – are fully engaged in the development of the request for program continuation. Feedback on quality, content, and delivery of the current program is also taken into account for program improvement. CCMs will need to report on all these issues in their meeting minutes. [12]

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[11]   CCMs are required to carry out a CCM Eligibility and Performance Assessment and produce a complete diagnostic, which includes facilitating the self-assessment and evaluating CCM compliance levels with Eligibility Requirements and Minimum Standards to determine the level of functionality of the CCM. For more information on the EPA refer to *http://www.theglobalfund.org/en/ccm/guidelines/eligibilityp-erformance/*

[12]   For more information on CCM eligibility criteria and minimum standards refer to *http://www.theglobalfund.org/en/ccm/guidelines/*

DEADLINES

About 70% of current Global Fund grants will come to an end in 2017. Countries whose grants are coming to an end are motivated to apply as early as possible for new funding so that they can access funds in time to have a seamless transition from the previous grant to the new funding. If the grant negotiations cannot be completed in time, countries can request extensions of existing funding arrangements, but funds provided during extensions will be deducted from the country's 2017-2019 allocation.

There will be three application windows in 2017:

> Window 1: 20 March

> Window 2: 23 May

> Window 3: 28 August

Those countries whose grants are ending in 2017 and who are invited to submit for program continuation will be encouraged to submit in Window 1. Those with grants ending in 2018-2019 will not be expected to submit until next year. As in the past, the applications are reviewed by the TRP; if approved, the three- to five-month grant-making process takes place, after which the grant is submitted to the GAC for final review and the Board for approval.

Actions you should take now to ensure your community is ready for the new funding opportunity

Engage with your CCM representative

> Make sure your CCM rep(s) shares the content of the allocation letter from the Global Fund as soon as it arrives – probably mid-December

Meet to develop your recommendations to the CCM on:

> submission date for funding proposal

> allocation split between the diseases

> level of funding that should be allocated to RSSH and CSS activities[13]

> level of support you need to hold consultations with communities in advance of proposal development process

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13   If support is being requested for community led service delivery, the request should be included under the given module or intervention. For instance, many countries conduct HIV testing both through health facilities and through community organizations. Both should be included under the HIV testing module. Similarly, community adherence support for AIDS, TB or malaria programs should be included under the given treatment module. A number of interventions across the three diseases refer to community mobilization and community demand creation and therefore requests for funding for these should be included in the relevant intervention.
Support for advocacy, community monitoring, coordination, and capacity building of community responses should be included under the Community Systems Strengthening module, which falls under Resilient and Sustainable Systems for Health. *Frequently Asked Questions Community, Rights and Gender and the 2017-2019 Funding Cycle October 2016 p 7*

Convene meetings to begin developing priorities

Communities will want to **review national disease strategies and evaluate the effectiveness of current programming, including PR performance**. They should also determine if there are any new factors that need to be taken into account in the 2017-2019 funding cycle. New factors would include new treatment or diagnostic tools that should be implemented, or increases in prevalence generally or in any specific community or population.

Submit requests for technical support, if needed

The CRG department has assembled a list of 34 prequalified technical support providers who can be assigned to provide assistance to community groups. Some examples of technical assistance requests include support for:

> designing, planning, and implementing a consultation process to identify key population priorities for HIV concept note development;

> designing and budgeting for community systems strengthening programs as part of the grant-making process;

> facilitating a concept note review among youth organizations to identify gaps and propose appropriate interventions for inclusion.

The CRG Technical Assistance Program currently does not support:

> strengthening Country Coordinating Mechanisms (CCMs)

> long-term capacity building of civil society organizations

> concept note writing

The application form to complete to request TA is available at:

http://www.theglobalfund.org/en/fundingmodel/technicalcooperation/communityrightsgender

As in the past, global and regional key populations networks and technical partners such as UNAIDS, Stop TB, and Roll Back Malaria, as well as bilateral organizations will be mobilized to offer support to CCMs and community groups as needed. TA providers and funding criteria are available at: http://www.theglobalfund.org/en/fundingmodel/technicalcooperation/

ACCESS TOOLS AND TRAININGS

The Access to Funding (A2F) team has developed several tools; many others are in development. They will be shared primarily through the Global Fund website, except for the allocation letters which are not made public.

> Frequently Asked Questions Community, Rights and Gender and the 2017-2019 Funding Cycle October 2016
> *http://www.theglobalfund.org/documents/fundingmodel/FundingModel_CommunityRightsGender_FAQ_en/*

> FAQ updates published as a monthly digest: mid-Sept, mid-Oct, mid-Nov, mid-Dec 2016 *http://www.theglobalfund.org/documents/fundingmodel/FundingModel_2017Cycle_FAQ_en/*

> Community Systems and Responses Technical Brief, November 2016
> *http://www.theglobalfund.org/en/communityresponses/*

> 2017 Eligibility List + Transition projections – *http://www.theglobalfund.org/en/fundingmodel/process/eligibility/*

> New e-learning courses on: differentiated application process, sustainable transition, human rights, key populations – January 2017

> Applicant Guide using best practice examples – January 2017

> Access to Funding Operational Policy Note – published November 2016

> TORs and membership of TRP – published November 2016

> Application materials – published December 2016

> Information Notes – published December 2016

> Allocation letters – sent December 2016

JOIN OR VIEW WEBINARS:

The A2F team has organized a series of train the trainer webinars, which will be open to the public and will cover the topics listed below. To join the A2F mailing list, to join a webinar, or access previous webinars please write to A2FTraining: A2FTraining@theglobalfund.org

20 October	Differentiated application process: overview to funding cycle: webinar is available at: https://theglobalfund.zoom.us/recording/play/GuCSN3IpPiwTjTTXkrG6Od9S80Q2x3HA0_Hg18BCRRAte52w22ATBDInkJ8UpTD8
3 November	Updated CCM eligibility and country dialogue guidance webinar is available at: https://theglobalfund.zoom.us/recording/play/1XfCyH7Gd0_qdixoPEpxP-vMzGCT4UK04PCUWxoUl1mby6kFiRFnM-Z5QIpBN4Uc
10 November	Sustainable transition – funding application expectations for transition applicants webinar is available at: https://theglobalfund.zoom.us/recording/play/uvaMBGqQ4rCstjM3rgXKhODnD7898SHFYY5a7WL5mx-7jw4VG2WLM7qEkmRLuJNW
24 November	Resilient and sustainable systems for health in funding requestswebinar is available at: https://theglobalfund.zoom.us/recording/play/ZL7u4w4k-FQA7wHvLrMKZcvNo41DopzNv7UNd-gA8alrWFQxf_edlTyap_OKeu2a
1 December	Challenging operating environments applicants
8 December	Allocation key messages and catalytic investments operationalization
14 December	Application materials and resources
12 January	Human rights and gender equality in funding requests
TBA	Multi-country (regional grants)
TBA	TRP review approach and review criteria
TBA	Co-financing

Annex A Allocations to Catalytic Investment Fund subject to board approval

Table: Catalytic investments for the 2017-2019 allocation period[14]

Modalities and Investment Priorities	Amount to be invested over 2017-2019
Matching Funds	**$356 million (44.5% of catalytic funds)**
HIV - Key Populations Impact	$50 million
HIV - Human Rights	$45 million
HIV - Adolescent Girls and Young Women	$55 million
Incentivising Programming of Allocations to find missing TB Cases	$115 million
Catalyzing Market Entry of New Long Lasting Insecticide Treated Nets (LLINs)	$33 million
Integration of Service Delivery and Health Workforce Improvements	$18 million
Data systems, data generation and use for programmatic action and quality improvement	$40 million
Multi-country Approaches	**$272 million (34% of catalytic funds)**
HIV Key Populations Sustainability and Continuity	$50 million
TB Multi-country Responses	$65 million
Malaria Elimination: Southern Africa	$20 million
Malaria Elimination: Mesoamerica	$6 million
Malaria in the Greater Mekong Sub-region	$119 million
Procurement and supply chain management - Developing Local Resources	$12 million
Strategic Initiatives	**$172 million (21.5% of catalytic funds)**
Addressing Specific Barriers to Finding Missing TB cases, Especially in Key Populations and Vulnerable Groups	$7 million
Development of Community and Innovative Approaches to Accelerate Case Finding	$3 million
Malaria Elimination: Cross-cutting Support in 21 Low Burden Countries	$7 million
Catalyzing Market Entry of New Long Lasting Insecticide Treated Nets (LLINs)	$2 million
Piloting Introduction of the RTS,S Malaria Vaccine	$15 million

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14   Global Fund Observer NEWSLETTER Issue 300: 18 November 2016

Sustainability, Transition and Efficiency	$15 million
Technical Support, South-to-South Collaboration, Peer Review and Learning	$14 million
Data systems, data generation and use for programmatic action and quality improvement	$10 million
Procurement and supply chain management - Diagnosis and Planning	$20 million
Procurement and supply chain management - Innovation Challenge Fund	$10 million
Pre-qualification of Medicines and in vitro diagnostics (IVDs)	$12 million
Community, rights and gender (CRG)	$15 million
TERG Prospective Evaluations	$22 million
Emergency Fund	$20 million
TOTAL	**$800 million**

ANNEX B

Under the differentiated framework, there are three grant management portfolio categories. These are determined by allocation, disease burden, and impact.

The three portfolio categories are:

> **Focused**: These are composed of smaller portfolios with lower disease burden and lower risk. There are about 87 countries in this category with a disbursement value of less than $75 million. This group represents about 7.4% of the global disease burden and $1.7 billion (13%) of Global Fund funding.

> **Core**: Includes larger portfolios with higher disease burdens and higher risk. There are 30 countries in this category, for which the grant value is $75-400 million. This group represents about 16.7% of the global disease burden and $3.8 billion (29%) of Global Fund funding.

> **High Impact**: These countries have very large portfolios with critical disease burden. There are 25 countries in this category with a disbursement of more than $400 million; the category represents about 75.9% of the disease burden and $9.1billion (70%) of Global Fund funding.

The two cross-cutting classifications are:

> Challenging Operating Environments: Countries, regions, or areas that require special flexibilities due to elevated risk or instability; and

> Countries transitioning away from Global Fund support.

ICASO

until we end aids

About ICASO

ICASO is a Canadian organization that acts as a global policy voice on HIV issues that impact diverse communities around the world. We understand that technology alone will not solve the AIDS epidemic, but that people and communities will continue to be central to this fight, particularly as we combat stigma, discrimination, and legal barriers to health and rights. Further, we believe that communities are best equipped to articulate their own needs, priorities, and solutions. Thus our advocacy work champions the leadership of civil society and key populations in the effort to end AIDS. We do this through collaborative partnerships with people and organizations in all regions and various sectors, always with a view to serving and empowering communities.

About MSMGF

The Global Forum on MSM & HIV (MSMGF) has worked since 2006 to encourage targeted, tailored, better-resourced, and rights- based sexual health services for gay men and other men who have sex with men (MSM) worldwide through its advocacy and technical support work. As a global network, MSMGF has successfully influenced HIV responses at the local level through shifts in global-level policies and has effectively utilized public health as an entry point for advancing the human rights of LGBT people. MSMGF currently supports programs in 15 countries.

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*This document will be available in French, Russian and Spanish shortly.

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