

GF/B31/ER7

PROGRESS UPDATE ON THE NEW FUNDING MODEL : MAY 2014

PURPOSE:

The Global Fund Secretariat is committed to keeping the Board well informed and updated as it rolls out the new funding model.

This progress update is the first in a series of monthly reports, describing progress from country dialogue to grant signing. These monthly reports will be complemented by quarterly reports to the Strategy Investment and Impact Committee (SIIC) and the Finance and Operational Performance Committee (FOPC) on the implementation of the new funding model. In-depth reports to the Board after each review cycle that summarize the key learnings will also be provided.

Overview of Major Developments

1. In this update, the Secretariat outlines the regional meetings that were recently convened to prepare country coordinating mechanisms (CCMs) and other stakeholders for the new funding model and on the submissions from regional applicants of their Expression of Interest.

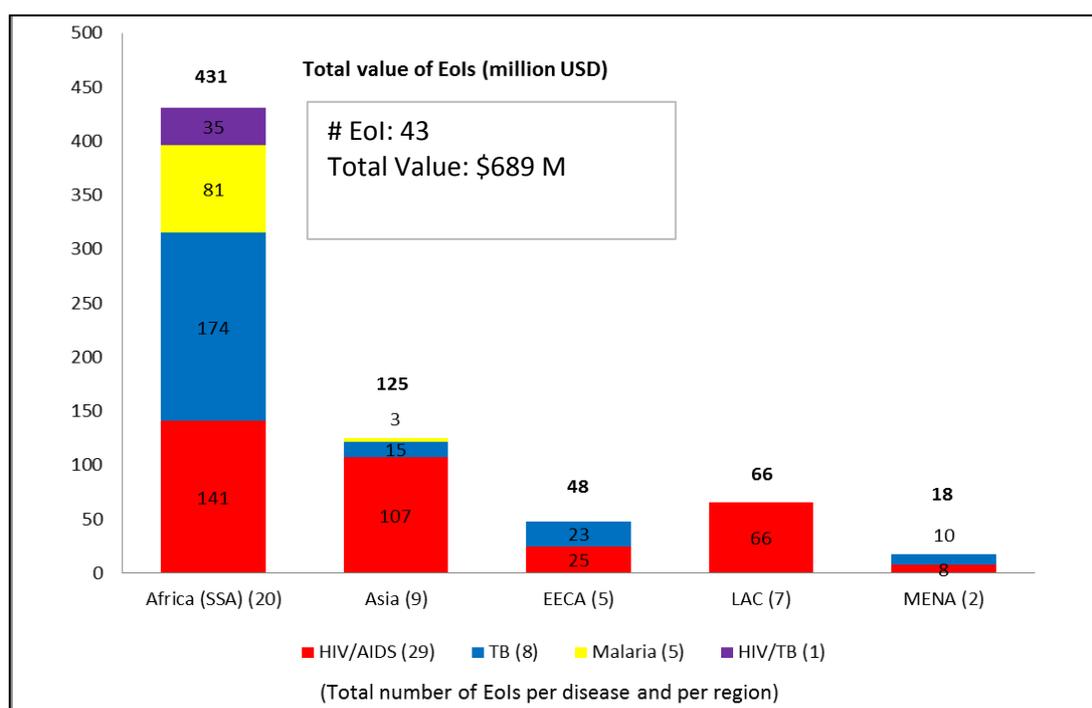
Regional Meetings

2. Since the beginning of the year, there has been a significant effort by technical partners and the Global Fund to share information on, and plan for, the new funding model. Five regional meetings were coordinated by the Secretariat, as well as 25 regional meetings convened by other partners. The five Global Fund regional meetings have been held in Jordan (Middle East, North Africa region), Ecuador (Spanish-speaking Latin American and Caribbean region), Senegal (Western Central Africa region), Namibia (Southern Africa region), and Jamaica (English/French-speaking Latin American and Caribbean region). Approximately 840 participants from 66 countries attended in total.
3. These participants included CCMs, Principal Recipients, civil society organizations, key populations, technical partners, national disease program representatives, and government representatives from ministries of health and finance. The meetings were all participatory, combining presentations from partners and the Global Fund on a range of topics, with time for moderated questions and answers, and more detailed workshops and planning sessions. Participants were most interested in guidance on the steps involved in preparing for a concept note, and in learning from the experiences of other countries in their region. All participants now have a much greater understanding of what they need to do to submit a concept note, and of the importance of inclusive country dialogue and the new CCM eligibility requirements. In feedback surveys, 98 percent of participants agreed that they now understand how the new funding model works, with 78 percent giving their understanding a rating of good or excellent.
4. One area that consistently raised concern was “willingness-to-pay”. This refers to forward-looking, additional government investments in fighting the three diseases and which is a pre-requisite to obtaining up to 15 percent of the allocation. There is lingering confusion by country level counterparts around the concept and the way in which this will be put into practice. Other areas that will require follow-up training include how to fill out the templates and forms in the concept note, especially around the budget, performance indicators and programmatic gaps. Finally, the implementation of the new on-line system (called the Grant Management Platform) will require more hands-on support in-country to be well adopted. In general, the majority of the concepts and practical guidance were well-received and well-understood. Some participants remarked that the information imparted was a lot to absorb at once; country teams will, of course, continue to support CCMs and share information.
5. These Global Fund regional meetings have been complemented by partner-led meetings and workshops where the Global Fund Secretariat has presented the new funding model concepts and tools to technical partners, technical assistance providers, and civil society groups. There is one remaining Secretariat-led regional meetings still planned: the Asia regional meeting will take place in June 2014. Overall these regional meetings have successfully launched the new funding model to a broad range of stakeholders, and now the focus will turn to supporting applicants as they develop strategically-focused programs.

Regional Expressions of Interest

- At its Thirty-First Meeting meeting in March 2014, the Board approved the use of US\$ 200 million to allocate for regional applications. By the 1 May deadline, 43 applicants submitted Expressions of Interest (EoIs) to the Global Fund, requesting a total of US \$689 million in funding. See Figure 1 for a summary of submissions by region and by disease.
- The Secretariat is currently screening the Expressions of Interest for eligibility. Next, Expressions of Interest will be reviewed by the Grant Approval Committee (GAC) which will set the funding ceiling and by the Technical Review Panel (TRP) will provide early feedback on technical considerations that CCMs should consider as they prepare their concept notes. Similar to country funding requests, regional applicants who receive an allocation of the regional funds will be asked to submit a concept note. Funds will be awarded following TRP and GAC review of the concept note and Board approval of the grant.

Figure 1: Funds requested through regional expressions of interest, by region and by disease



Access to Funding Timelines

- This section shows the progression of disease components through the access to funding cycle over time. Most disease components are in the country dialogue and concept note development stage. As disease components progress from one stage to the next, the figures will be filled in accordingly.

Figure 2: Components per Access to Funding (A2F) stage, previous and current month

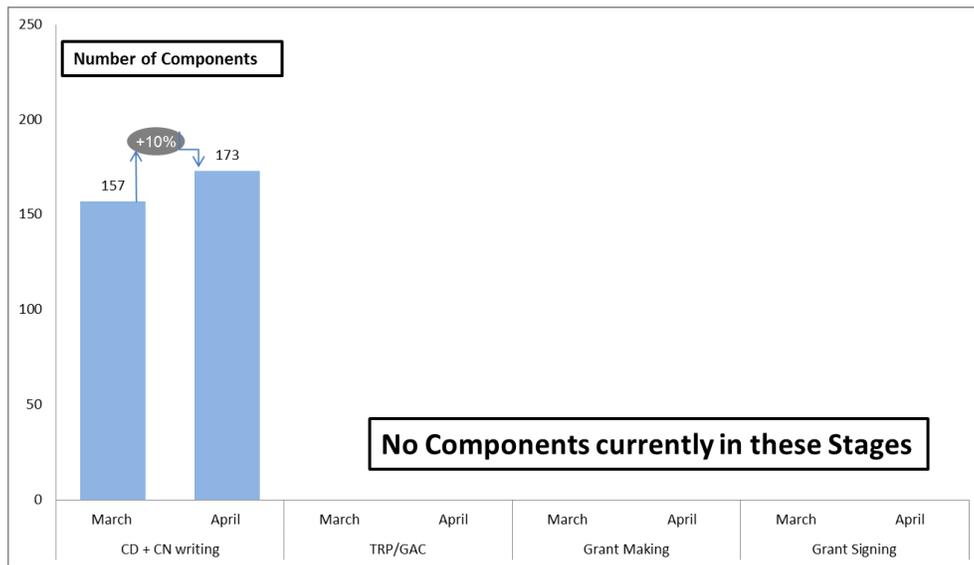
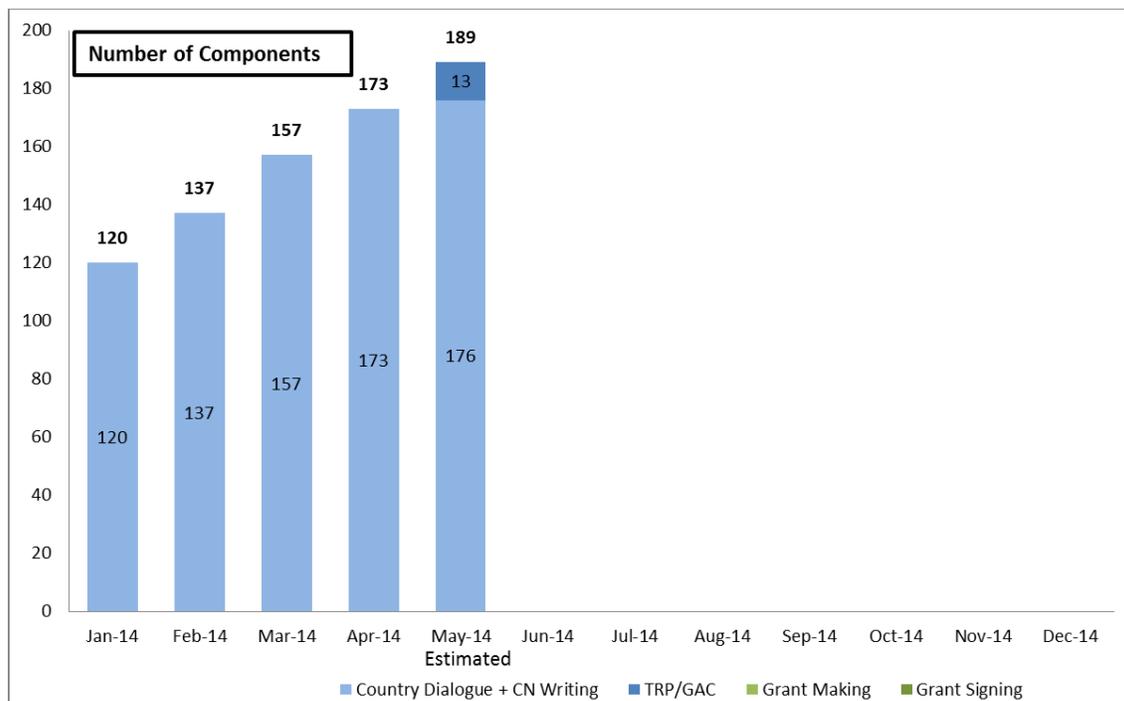


Figure 3: Cumulative Work in Progress by A2F Stage



Country Dialogue

- Table 1 reflects the current status of country visits planned by the Global Fund to countries and is intended to help partners engage effectively in discussions. Not all country visits are related to the development of a concept note and some are intended for routine grant management activities. Country dialogue discussions may also take place outside country

visits by the Global Fund, for example, during civil society caucuses. Interested partners are encouraged to reach out to the appropriate Fund Portfolio Manager or CCM Secretariat to confirm the dates and topics before planning travel, as mission plans change frequently.

Table 1: Global Fund country missions by month (days of the month in parenthesis)

Month	Africa + Middle East: Francophone	Africa + Middle East: Non-Francophone	Asia	EECA	LAC
April	DRC (30/03-04/04) Cote D'Ivoire (1-3; 7-9; 14-16) Senegal (1-11) Congo (7-11) Burundi (22-25)	Kenya (1-4) Tanzania/Zanzibar (1-6) Zimbabwe (1-17) Zambia (4-12) Uganda (8-13) Ethiopia (28-30) Ghana (25-30) Sierra Leone (6-8) Liberia (28-29) Eritrea (22-25) West Bank and Gaza (22-25) Somalia (7-9) South Sudan (28-30) Botswana (13-16)	Fiji (1-13) Nepal (1-15) Cambodia (1-6) Thailand (1-3) Laos (2-5) Nepal (7-11) Mongolia (12-17) DPRK (20-26) Cambodia (27-30) PNG (27-30) Bangladesh (1-4) Thailand (9-11) Philippines (14-17) Pakistan (7-11; 26-30)	Tajikistan (1-10) Belarus (1-4) Russia (1-4) Albania (7-10) Azerbaijan (7-11) Kyrgyzstan (9-12) Turkmenistan (14-18) Bulgaria (13-17) Kosovo (22-25) Ukraine (22-24)	Paraguay (1) Ecuador (1-4) Haiti (2-6) Panama (7-10) Jamaica (8-11) Bolivia (22-30)
May	DRC (27/04-02/05) Burkina Faso (12-16) Togo (12-17) Djibouti (15-21) Mauritania (10-16) Tunisia (28-31) Madagascar (12-16)	Ethiopia (1-5) Zambia (25-31) Ghana (7-9; 19-23) Sudan (17-23) South-Africa (12-16) Nigeria (5-9) Somalia (11-16) South Sudan (1-2; 12-16) Angola (5-9)	Cambodia (1-3) Iran (3-9) PNG (3-5) Solomon Islands & Vanuatu (4-15) Bhutan (3-10) Nepal (4-21) Afghanistan (5-9) DPRK (11-17) Laos (19-23) Timor-Leste (24-31) India (1-9)	Russia (11-14) Romania (14-15) Armenia (15) Moldova (18-21)	Guyana (5-10) Nicaragua (5-9) Costa Rica (11-16) Cuba (12-16) Eastern Caribbean (12-15) Honduras (12-16) Paraguay (19-23) Suriname (19-22)
June	Mauritania (9-13)	Ghana (23-27) Egypt (14-19) West Bank and Gaza (1-5) Sierra Leone (17-20)	Pacific (1-14) Bangkok (4-6) Afghanistan (2-6) Sri Lanka (2-13) Nepal (10-13) Malaysia (23-27) Nepal (23-27)	Georgia (16-19) Armenia (20)	Peru (9-13) Jamaica (16-20) Panama (30)
July	/	/	/	/	Panama (2) El Salvador (2-4)

Program Split

10. Before or at the time of concept note submission, CCMs must determine the share of the country allocation across eligible disease components and health system strengthening. To date, the Global Fund has only approved the program split for two countries - Zimbabwe and Moldova. In addition, Indonesia submitted its proposed split, which the Global Fund is

reviewing. The Secretariat anticipated that all the countries that will go through the June TRP review will submit their program splits by the submission deadline.

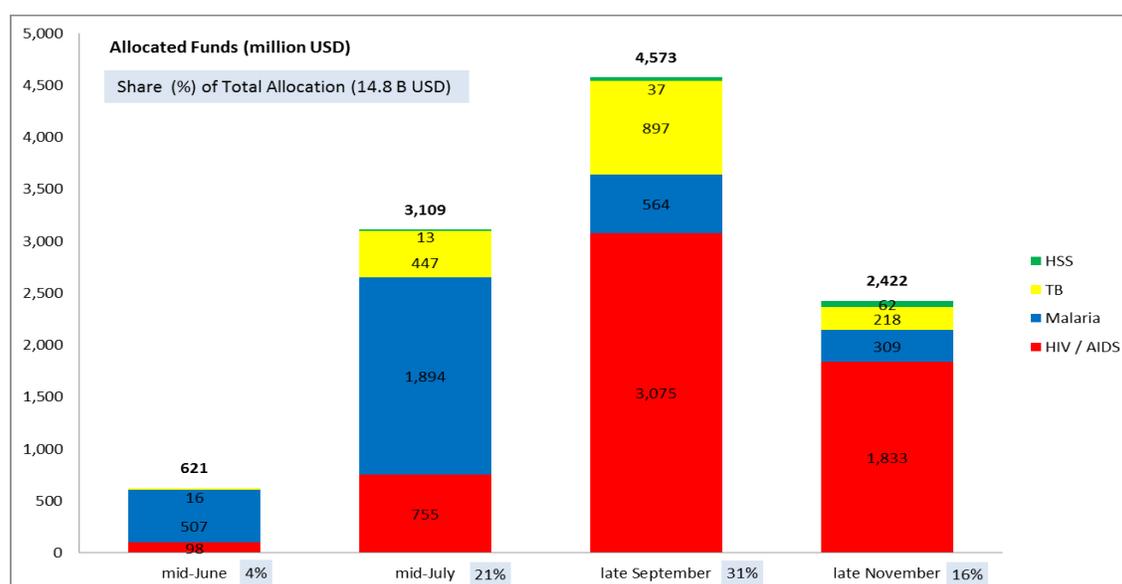
Table 2: Approved program split per region

Program Split	Africa + Middle East: Francophone	Africa + Middle East: Non-Francophone	Asia	EECA	LAC
Recently Approved		Zimbabwe		Moldova	

Technical Review Panel (TRP) Review

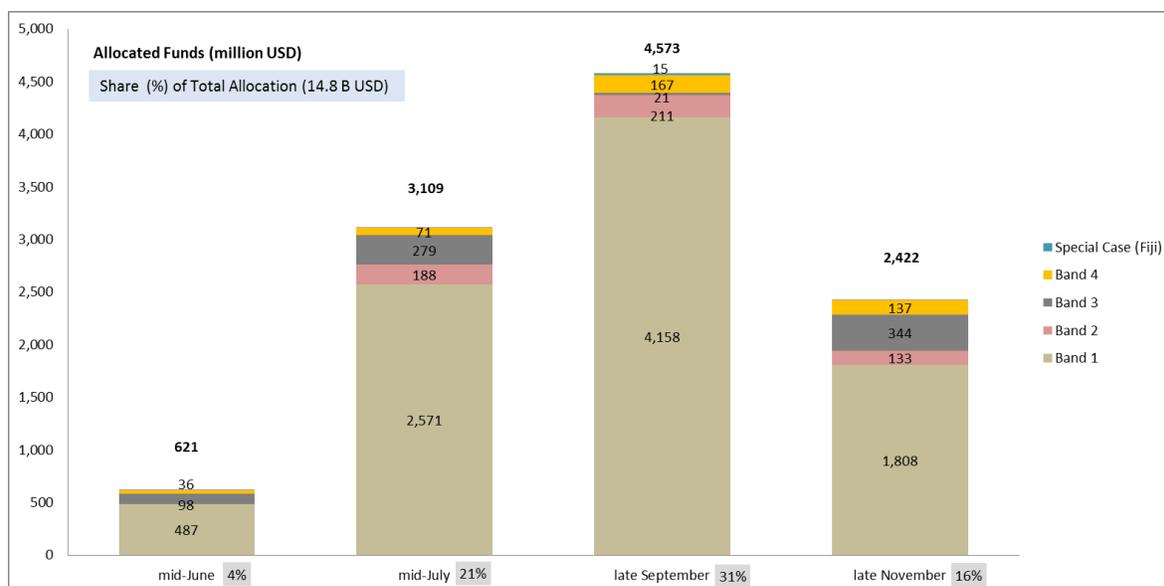
11. This section indicates the value of disease components that will be reviewed in each TRP window by disease and by band. It also lists when CCMs plan to submit a concept note at which TRP window. Around 280 concept notes are expected during this allocation period. Of these, approximately 160 concept notes (or 60 percent) will be reviewed by the TRP in 2014, which represent approximately 72 percent of the total funding.
12. Originally, a larger number of CCMs indicated that they would submit concept notes in the first two TRP windows. Country teams reported that this was driven by the perception that it was better to access funds early to ensure the funds would be available. Over the past months, country teams have worked closely with CCMs to explain that the timing will not impact the level of funding, to develop realistic timelines and, when needed, to request extensions to existing grants so that CCMs have sufficient time to prepare quality concept notes. As a result, we have seen a shift towards later review windows and expect to see further shifts as countries understand that they can truly come when the timing is right for them.

Figure 4: Value of disease component allocations by 2014 TRP window



Note: The estimated funds for HSS are based on existing HSS grants. As CCMs submit their program split decisions, we expect to see the share of funding for stand-alone HSS grants to increase.

Figure 5: Value of allocation amounts by band by 2014 TRP window



13. Table 3 lists the concept notes to be reviewed at each TRP window. Originally, a larger number of CCMs indicated that they would submit concept notes for the June TRP review. However, as the 15 May deadline for submission approached, over half of the CCMs postponed the submission to have more time to develop quality concept notes. The Secretariat sees this delay as a positive sign that CCMs are using the flexibilities of the new funding model to submit concept notes when they are ready.
14. However, the flexible timing has also led to two challenges. First, the information on the timing of concept note reviews can change from month-to-month, making it difficult to provide accurate (and stable) data to partners about the timing of when concept notes will be submitted. Second, it has made planning the TRP review meetings difficult, since the selection of reviewers is based on the applications that need to be reviewed. For example, the June TRP meeting will have to be adjusted to reflect the smaller number of concept notes to be reviewed.
15. To address this, the Secretariat will ask CCMs to formally register for a TRP review at least a month in advance and will ask country teams to identify CCMs who are likely to defer to a later review window. This information will help the Global Fund and partners plan more effectively given the inherent uncertainty. As part of the communication to CCMs, the message to take the needed time to ensure a high quality concept note will be reinforced.

Table 3: Overview of concept note submissions by TRP Windows

TRP Window	HIV/AIDS	HIV-TB	TB	Malaria	HSS
<p>June 2014</p> <ul style="list-style-type: none"> • 11 concept notes • \$ Value: 0.6 B 	Moldova	Haiti		Indonesia Kenya Papua New Guinea Philippines Timor-Leste Somalia Uganda Zambia Zimbabwe	
<p>July 2014</p> <ul style="list-style-type: none"> • 45 concept notes • \$ Value: 3.1 B 	Bhutan Cuba Gambia Guinea Kyrgyzstan Mongolia Paraguay Russian Federation Senegal Sudan Uzbekistan	Burkina Faso Thailand Ukraine Zambia	Afghanistan Bangladesh Bhutan Pakistan Sudan Zimbabwe	Bangladesh Burkina Faso Cameroon Cape Verde Chad Congo DRC Ethiopia Guinea Honduras Korea Nigeria Pakistan Rwanda Senegal Solomon Islands Somalia Sri Lanka Sudan Suriname Swaziland Yemen	Afghanistan Burkina Faso Sudan
<p>September 2014</p> <ul style="list-style-type: none"> • 60 concept notes • \$ Value: 4.6 B 	Albania Bangladesh Costa Rica Egypt Iran Kosovo Mauritania Nepal Nicaragua Palestine PNG Somalia South Sudan Syrian Arab Republic Tunisia Yemen	Cameroon Chad Congo DRC Ethiopia India Malawi Maldives Mozambique Panama Rwanda Solomon Islands Togo Viet Nam Zanzibar	Armenia Cambodia Comoros Fiji Guatemala Korea Moldova Palestine PNG Peru Romania Sao Tome & Principe South Sudan Sri Lanka Tajikistan	Bolivia Comoros Côte d'Ivoire Ghana India Mozambique Multi-country Western Pacific Nepal South Sudan Uzbekistan Zanzibar	Indonesia Mozambique Pakistan

	Zimbabwe				
<p>November 2014</p> <ul style="list-style-type: none"> • 45 concept notes • \$ Value: 2.4 B 	<p>Benin Cape Verde Congo Dominican Republic Ghana Indonesia Jamaica Multicountry Americas (REDCA+) Niger Philippines Suriname</p>	<p>Angola Belize Botswana Burundi Djibouti Multi- country Western Pacific Nigeria Sierra Leone Swaziland Tanzania Uganda</p>	<p>Azerbaijan Bulgaria El Salvador Gabon Ghana Kyrgyzstan Lao PDR Mauritania</p>	<p>Afghanistan Angola Bhutan Botswana Cambodia Djibouti Guinea-Bissau Lao PDR Malawi Mauritania Viet Nam</p>	<p>Cambodia Congo DRC Sierra Leone Uganda</p>

16. The next progress update will be sent to the Board on or about 15 June. Questions or comments may be sent to the Secretariat through the usual communication channel for the Board; board@theglobalfund.org.