The New Funding Model of the Global Fund

September 2012
Introduction

The Global Fund is developing a new funding model as part of its transformation

The aim of this presentation is to:

• **Introduce the key principles** agreed at the 27th Board meeting

• **Explain the agreed elements** of the new funding model

• **Describe the next steps and areas of work** to finalize by the 28th Board meeting in November
Principles for the new funding model

1. Consistency with the Strategy – Investing for impact

2. Greater alignment with country-level schedules, context, and priorities

3. Focus on countries with the highest disease burden and lowest ability to pay, while keeping the portfolio global

4. Simplicity for both implementers and the Global Fund

5. Predictability of process and financing levels, consistent with global accords in Paris, Accra, and Busan

6. Ability to elicit full expressions of demand and reward ambition
Key stages of the new funding model

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- **Stage 1**
  - Band 5
    - Country D
    - Country C
    - Country B
    - Country A

- **Stage 2**
  - Country access to funding

- **Stage 3**
  - Grant-making

Country access to funding:
- Country A
- Country B
- Country C
- Country D

Band creation and allocation to bands:
- Band 1
- Band 2
- Band 3
- Band 4
- Band 5
Stage 1: Bands of countries

Board approves the composition of Bands and allocation of money to them

Composition of and allocation to each Country Band to be determined

Provision for special strategic investments (Amount capped at 10% of total available funds)
Stage 2 and 3: Key process elements

Note: NSP = National Strategic Plan
Next phase builds on New Funding Model

June

Redesign of New Funding Model to align with *Strategy*

Consultations with in-country partners, global partners, donors, etc.

July

Detail operating model based on New Funding Model

Aug

Sept

Oct

Nov

Dec

Continue consultation...

Detail operating model based on New Funding Model

Roll out changes in phases

27th Global Fund Board meeting

28th Global Fund Board meeting
High-level questions for consultation

What criteria should be used to group countries into Bands?
- Quantitative criteria such as income (e.g. GNI per capita) and disease burden?
- Qualitative criteria such as Most-at-risk populations or small countries?
- A mix of the above?

How broad or narrow should the indicative funding range be?
- How long should this funding range be valid?

How do you see the rough split of resources within a Band between resource apportioned to a country vs to an incentive stream?
- Should this split be the same in all Bands?

What factors should be considered in granting funding from the incentive stream?

Should a Concept Note be disease specific or cover all diseases and HSS/CSS?

What is the best way for applicants to present their prioritized expression of full demand in the Concept Note?

What should be the possible outcomes of the TRP review with respect to prioritization?

What other topics would you like to raise?