

Revisions to the Eligibility Policy

47th Board Meeting

GF/B47/02

10-11-12 May 2022, Geneva / Virtual

Board Decision

Purpose of the paper: This paper presents, for Board approval, minor revisions to the Eligibility Policy and a recommendation to make the (6) components that received Transition Funding for the 2020-2022 allocation period exceptionally eligible for an additional allocation of Transition Funding for the 2023-2025 allocation period to mitigate the impact of the COVID-19 pandemic.

Decision

Decision Point: GF/B47/DP03: Approval of the Revised Eligibility Policy

1. **Based on the recommendation of the Strategy Committee, the Board approves the revised Eligibility Policy, as set forth in Annex 1 to GF/B47/02 (the “Revised Eligibility Policy”).**
2. **Accordingly, the Board:**
 - i. **Acknowledges that this decision point and the Revised Eligibility Policy supersede the decision point GF/B39/DP03 and the previous Eligibility Policy as set forth in Annex 1 to GF/B39/02 (the “Previous Eligibility Policy”); and**
 - ii. **Notes that, notwithstanding paragraph 2.i of this decision point, the Previous Eligibility Policy remains applicable to grant programs originating from the 2020-2022 allocation period.**

Budgetary implications: None.

Decision Point: GF/B47/DP04: Approval of the Eligibility of the 2020-2022 Transition Funding Components for an Additional Allocation

Based on the recommendation of the Strategy Committee, the Board approves the eligibility of the six (6) Transition Funding components from the 2020-2022 allocation period for an additional allocation of Transition Funding for the 2023-2025 allocation period.

Budgetary implications: None.

A summary of relevant past decisions providing context to the proposed Decision Point can be found in Annex 4.

Executive Summary

Context

- The Global Fund Eligibility Policy determines which country components may be eligible for an allocation. It does not determine allocation amounts or how country grants are operationalized. The policy is data driven – using readily available and transparent metrics across a large cohort of countries – and prioritizes countries with the lowest economic capacity and highest disease burden, and where key and vulnerable populations are disproportionately affected by the three diseases. In 2022, 127 countries are eligible for at least one disease component.
- The Eligibility Policy does not have a mandated review period, however considering the COVID-19 pandemic and beginning of a new Strategy cycle, the Secretariat initiated a review of the policy under the oversight of the Strategy Committee (SC). Technical partners were requested to review the disease burden metrics for upper-middle income (UMI) countries and the Secretariat contracted an external review of economic capacity indicators, which was presented to the SC for input at its 17th meeting in October 2021.

Input Sought

The Board is requested to approve the following Decision Points:

- GF/B47/DP03: Approval of the Revised Eligibility Policy
- GF/B47/DP04: Approval of the Eligibility of the 2020-2022 Transition Funding Components for an Additional Allocation

Conclusions

- The SC and the Secretariat have reviewed the existing parameters of the Eligibility Policy and proposes minor revisions to the UMI malaria burden metric in line with recommendations from malaria partners and alignment with current International Development Assistance (IDA) terminology. The SC and the Secretariat are also recommending that, given the potential programmatic and financial impact of the COVID-19 pandemic, the six (6) Transition Funding components from the 2020-2022 allocation period be made exceptionally eligible for consideration of an additional allocation of Transition Funding, noting that eligibility does not guarantee an allocation.

Input Received

- The SC has provided inputs and guidance into a potential revision of the Eligibility Policy at three opportunities: March (SC15), July (SC16) and October (SC17) 2021. A pre-day session during the 46th Board Meeting allowed for input from Board constituencies not on the SC. Constituencies have also provided written input throughout 2021 and in advance of the 18th SC Meeting (March 2022). A specific request to revise the policy's language regarding the small economy exception was incorporated into the final policy for recommendation.

- The Secretariat contracted an external review to assess the continued use of Gross National Income (GNI) per capita (p.c.) to measure economic capacity in both the Eligibility Policy and the Allocation Methodology and assessed several indicators.¹ The findings from this review were provided to the SC at its October meeting and made available to the Board. This review determined that GNI p.c. remains the best available metric, noting that it does not address concerns around in-country equity, nor does it adequately capture government fiscal space and that these are perhaps better addressed elsewhere, e.g., as part of the Qualitative Adjustments process.
- Technical partners reviewed the disease burden metrics for UMI eligibility together with the Allocation Methodology metrics. Minor changes are recommended to the malaria burden metrics and no changes are recommended for HIV and TB. Annex 2 summarizes their input.

¹ In addition to reviewing GNI p.c., the review looked macroeconomic indicators (e.g., Gross Domestic Product (GDP) per capita) and poverty indicators (e.g., Gini coefficient).

What is the need or opportunity?

1. Global Fund eligibility criteria are designed to ensure that available resources are allocated and invested in countries and regions with the highest burden of disease, the least economic capacity, and where key and vulnerable populations are disproportionately affected by the three diseases. The Eligibility Policy determines which country disease components are eligible to receive a country allocation, noting that eligibility does not guarantee an allocation.² It does not determine country allocation amounts, co-financing and application focus requirements or how country grants are operationalized.³
2. The Eligibility Policy uses the latest three-year average of Gross National Income per capita (GNI p.c.) to determine a country's income level.⁴ All low (LI) and lower-middle income (LMI) countries are eligible for an allocation, regardless of disease burden. It is only at the upper-middle income (UMI) level that additional requirements for eligibility are applied, including having a high burden of disease, although some exceptions apply.⁵ High income countries are not eligible.
3. The Eligibility Policy was last reviewed extensively during 2017 and 2018 and the Board approved a revised policy at its 39th Board Meeting in May 2018.⁶ While there is no mandated timeframe for review of the Eligibility Policy, with the COVID-19 pandemic and the development of a new 6-year Strategy,⁷ the Secretariat initiated a review of the current policy in conjunction with the review of the Allocation Methodology for the 2023-2025 allocation period. Two areas – economic capacity and disease burden metrics – have been reviewed jointly to ensure a holistic discussion.
4. The Secretariat has engaged with HIV, TB and malaria technical partners to review the existing disease burden metrics and thresholds for determining UMI eligibility in conjunction with the Allocation Methodology. Their technical input is summarized in Annex 2.
5. To inform the Secretariat's work around the review of the use of GNI p.c. in both the Eligibility Policy and the Allocation Methodology, an external review was contracted. This review was provided to the SC in October 2021 (SC17) and was made available to the Board.⁸ The recommendation from the review was to maintain the use of GNI p.c. in both policies. The review assessed several different types of indicators, including macroeconomic (GNI p.c. purchasing power parity (PPP), Gross Domestic Product (GDP) p.c.), fiscal capacity (general government expenditure p.c., public debt as percentage of GDP), broader indicators (such as human development and vulnerability indices) and poverty/equity metrics (Gini coefficient, individual health poverty line, multi-dimensional poverty index).⁹ Based on the review of the different possible indicators to replace or complement the use

² The policy also specifies the requirements for multi-country grants, whether financed from country allocations or catalytic investments.

³ The Sustainability, Transition and Co-financing Policy articulates co-financing and application focus requirements.

⁴ A three-year average is used to moderate the rate of transition into and out of Global Fund Eligibility for countries who experience significant annual fluctuations in their GNI per capita.

⁵ Disease burden metrics and thresholds are based on recommendations from technical partners. Small Island economies that have been granted exceptions to maintain their IDA eligibility are eligible regardless of burden. In order to be eligible for HIV, UMIs must be on the Organisation for Economic Co-operation and Development's (OECD) Development Assistance Committee (DAC) List of Official Development Assistance (ODA) recipients or meet the requirements outlined in Paragraph 9B of the Eligibility Policy.

⁶ [GF/B39/DP03](#)

⁷ [Fighting Pandemics and Building a Healthier and More Equitable World Global Fund Strategy \(2023-2028\)](#)

⁸ [Assessing economic capacity in the Eligibility Policy and Allocation Methodology.](#)

⁹ For more information, please refer to tables 2.1 and 2.2 of the report, [Assessing economic capacity in the Eligibility Policy and Allocation Methodology.](#)

of GNI p.c., the review determined that GNI p.c. was better than the alternatives given data availability (and metric validity), while noting that this indicator does not address concerns around in-country inequities in economic capacity or adequately capture fiscal space.

6. As part of the review of the Eligibility Policy the Secretariat also looked at the Board-approved Approach to Non-eligible Countries in Crisis.¹⁰ As noted in [GF/SC17/13 - Revision 2](#), the Secretariat reviewed the current approach to non-eligible countries and did not recommend a change, noting that there was no evidence to support a change to the approach, as maintaining a 'light-touch' approach to assessing the health impact of economic crises, natural disasters, or conflicts in non-eligible countries, and operational principles to inform Global Fund engagement in these countries remains valid. At the 17th SC meeting, no SC members noted any need for revisions to the existing policy on the Approach to Non-eligible Countries in Crisis (e.g., an expansion or reduction in scope of eligible countries).¹¹ In light of the Ukraine crisis, a few constituencies questioned whether the approach to non-eligible countries in crisis required any revision. The Secretariat clarified that this approach is for non-eligible countries and unless the Board decides to allow for high income countries to be funded under this approach, there are existing policies and tools in place to deal with issues related to migrants and refugees, including the Challenging Operating Environment (COE) Policy¹² and the Emergency Fund.

What do we propose to do and why?

What is our proposal?

7. The 2023-2028 Strategy's primary goal is to end AIDS, TB and malaria. To achieve this goal there is a particular focus on increasing the catalytic impact of our investments and leveraging innovations to accelerate progress in reducing new infections, addressing structural barriers to improved HIV, TB and malaria outcomes, and building equity and sustainability. The current Eligibility Policy supports this focus, however small refinements, which do not impact eligibility, are being proposed.¹³
8. The current Eligibility Policy results in 127 countries currently eligible for at least one disease component.¹⁴ This results in countries representing 99.9% of the total malaria burden¹⁵, 85% of the total HIV burden¹⁶ and 88% of the total TB burden¹⁷ being eligible. This broad reach, combined with the ability to fund non-eligible countries as part of multi-country or regional grants, does not suggest the need for a significant change or shift to the Eligibility Policy.¹⁸

¹⁰ <https://www.theglobalfund.org/board-decisions/b39-dp04/>

¹¹ [Report of the 17th SC, page 15](#)

¹² GF/B35/DP09, the COE policy allows for the flexible use of country allocations to support populations from eligible countries, including in non-eligible countries if that country is characterized by weak governance, poor access to health services, and/or manmade or natural crises.

¹³ At its 17th Meeting, SC members did not suggest that a major change is needed for the eligibility policy, Report of the 17th SC, page 15

¹⁴ There are 27 LI and 54 LMI countries that are eligible regardless of burden, 46 out of 57 UMI countries are eligible for at least one disease component. Source: [2022 Global Fund Eligibility List](#)

¹⁵ Based on malaria incidence and deaths, WHO data (2021)

¹⁶ Based on HIV incidence and deaths, UNAIDs data (2021)

¹⁷ Based on TB incidence and deaths, WHO data (2021)

¹⁸ The Board approved Approach to Non-eligible Countries provides an avenue to support non-eligible/non-high-income countries in extraordinary crisis. To date the Global Fund has supported one country – Venezuela – whose extraordinary situation was/is due to a political and economic crisis which has resulted in the government's cessation of funding for essential HIV, TB and malaria services thereby creating

9. The SC and Secretariat recommend that all LI and LMIs continue to remain eligible regardless of burden and that eligibility for UMIs continue to be based on having a high disease burden, as defined by disease-specific burden metrics and thresholds (formulated by technical partners).
10. In line with the findings and conclusions of the external review on GNI p.c., the SC and Secretariat recommend maintaining GNI p.c. as the sole indicator to determine economic capacity for eligibility. The review highlighted the importance of using indicators that have a robust methodology that is comparable across countries, are transparent and updated regularly and are widely available across a large cohort of countries. The review also noted the need to ensure indicators are understood by recipient countries and stakeholders and do not create perverse incentives or introduce moral hazard. GNI p.c. meets these criteria, and the use of the World Bank income thresholds removes subjectivity or potential engineering of thresholds to achieve a specific outcome. The review acknowledged that while GNI p.c. does not address concerns around in-country inequities or adequately capture fiscal space, there are other ways to potentially capture and address this, e.g., through the qualitative adjustment process¹⁹.

“GNI p.c. continues to be a robust and appropriate indicator to capture country economic capacity and outperforms other economic indicators despite not addressing in-country equity or adequately capturing government fiscal space. This review did not find a better alternative to replace GNI p.c. use in the Eligibility Policy or the Allocation Methodology at present. In particular, the assessment shows that the benefits of a replacement with general government revenue per capita (data from the IMF World Economic Outlook), the most suitable alternative identified to replace GNI p.c., did not outweigh its drawbacks.”

-Assessing economic capacity in the Eligibility Policy and Allocation Methodology (2021).

Proposed revisions

11. Minor revisions are being proposed to align with updated terminology (with respect to the Small Island Economy Exception) and consistency (alignment of the data period for the UMI malaria burden indicators with the Allocation Methodology – i.e., the latest available data for the average of 2000-2004 data). No changes are proposed to the UMI burden indicators for HIV and TB.
12. Based on malaria partner recommendations, two small revisions are recommended for the UMI burden metrics. The first revision relates to the periodicity of data. Currently data for 2000 is used to determine UMI eligibility, malaria partners now recommend using the latest available data for the average of burden data for 2000-2004 to align with the Allocation Methodology,²⁰ noting this does not impact current UMI eligibility.²¹ Malaria partners also recommend that the drug resistance

a health crisis in the country and in the region. As noted in GF/B46/ER02, Venezuela had met a first determination of eligibility under the current Eligibility Policy for HIV in 2021 and it has subsequently met its second consecutive determination in 2022. Venezuela's eligibility for HIV is due the undertaking of an HIV prevalence survey which demonstrated high prevalence in 2 key populations.

¹⁹ After each eligible country disease component has had its formula derived amount calculated, the formula driven amounts are refined through a transparent and accountable qualitative adjustment process, which is approved by the SC. The qualitative adjustment process aims to maximize the impact of Global Fund resources by accounting for (1) the needs in specific epidemiological contexts that are not fully captured in the allocation formula's technical parameters; and (2) a single, holistic adjustment to account for all additional country-specific considerations. The Qualitative Adjustment factors for the 2023-2025 allocation period are expected to be approved by the SC in July 2022.

²⁰ The Allocation Methodology uses the historical period of 2000-2004 to capture a country's malaria transmission potential in the absence of control interventions.

²¹ Currently there are six UMI components eligible for malaria.

indicator be updated for accuracy.²² These changes have been reflected in the table in Paragraph 8b of the policy and the corresponding footnotes, as well as Paragraph 11.

13. The other proposed change relates to the UMI 'Small Island Economy Exception'.²³ The World Bank 'Small Islands Economies Exception' was introduced in 1985 in recognition of the challenges faced by small island states due to their size (less than 1.5 million population), high vulnerability to natural disasters or long-term impact of climate change and limited credit worthiness and financing options. Since 2006, UMI countries that are eligible under the Small Island Economy Exception have been eligible for Global Fund financing, regardless of disease burden. Since the last policy revision, IDA has extended its small economy lending terms to small states that are not islands. The SC and Secretariat recommend revising the Small Island Economy definition to allow UMI small states that are not islands, and are eligible for IDA support, to be eligible regardless of disease burden. This change would result in one additional country component becoming newly eligible and would not affect current UMI Small Island eligibility.²⁴

Mitigating the Impact of COVID-19: Specific measures for the 2023-2025 Allocation Period

14. The Secretariat has carefully considered how to best mitigate the impact of COVID-19 on eligibility. Data released from the World Bank in July 2021 (2020 data) and the latest available official burden data did not have an impact on eligibility. For the 2022 Eligibility List, only 1 country component became newly eligible, while 7 country components moved up an income classification. The impact of the COVID-19 pandemic on economic indicators has resulted in slowed transition projections with only 11 components projected to transition before 2028 according to 2021 projections, as compared to 21 components in 2020.²⁵ However, as many Global Fund supported countries experienced more significant waves of COVID-19 in 2021, it is possible that there may be more significant downward changes in 2021 GNI p.c. and disease burden data. Currently there is only one UMI country that is close to the LMI threshold, and the country is already eligible under the Small Island Economy exception. The World Bank releases updated GNI p.c. data on a yearly basis, normally in July.
15. In addition to the proposed revisions, the SC and the Secretariat recommend that the six **(6) Transition** Funding components from the 2020-2022 allocation period (Armenia HIV, Guatemala malaria & tuberculosis, Guyana malaria, Kosovo HIV & tuberculosis) be eligible for an additional allocation of Transition Funding for the 2023-2025 allocation period.²⁶ This is in line with the spirit of footnote 18 of the Eligibility Policy which notes that the "*Secretariat may exceptionally request on a case-by-case basis that the Global Fund Board approve one additional allocation of Transition Funding in order to allow for the financing of critical transition activities that are essential to supporting transition from Global Fund financing*". Board approval here would make the six (6)

²² Artemisinin-based combination therapies (ACTs) are the first-line therapy in almost all countries where malaria is endemic due to the high efficacy, tolerability, and ability of ACTs to reduce ongoing transmission of the parasite. ACTs are comprised of two components: an artemisinin derivative and a partner drug. The updated language reflects this and is more accurate.

²³ The 'Small Island Economy Exception' allows for Small Island UMIs that benefit from International Development Assistance (IDA) to be eligible regardless of disease burden.

²⁴ Expanding this provision would enable one additional country component – Guyana malaria – to become newly eligible, as Guyana is already eligible for TB and HIV. The other small states that now are eligible for IDA support under small economy borrowing terms are lower-middles income countries.

²⁵ [Projected transitions from Global Fund country allocations by 2028: projections by component](#). Updated transition projections will be published in the Fall of 2022.

²⁶ There are only six components because these were the only components that had become ineligible and therefore received Transition Funding for the 2020-2022 allocation period.

relevant components eligible to receive a country allocation but would not guarantee an allocation. Allocation decisions will be based on assessments of whether these components require, on an exceptional and case-by-case basis, additional time, and resources to address specific sustainability and transition challenges (including mitigating the impact of COVID-19) and will be determined through the Allocation Methodology, including through Qualitative Adjustments.

16. Making this decision now, would allow the Secretariat additional time to assess the impact of the pandemic on these components and consider the latest available program, economic and disease burden data, noting that these grants operate on a later implementation timeline.²⁷ The alternative would be to request an SC recommendation at its July SC meeting, but there would likely be limited new information to inform the decision and would result in less time for Secretariat analyses. While this decision will not guarantee an allocation for these components, it will increase the flexibilities the Secretariat has to address ongoing transition and sustainability challenges in line with the existing flexibilities already available to address transition challenges within the STC policy.

What is needed next to progress?

What is required to progress the proposal?

17. In line with the SC and Secretariat recommendation, the Board is requested to approve the revised Eligibility Policy in Annex 1. If approved, the revised policy will immediately take effect and be used to determine eligibility for the 2023-2025 allocation period. The Board is also requested to make the six (6) Transition Funding components from the 2020-2022 allocation period be made exceptionally eligible for one additional allocation of Transition Funding in the 2023-2025 allocation period.
18. Should the Board decide not to approve the revised policy, the current policy will remain in place and be used to determine eligibility for the 2023-2025 allocation period. Based on available data, maintaining the existing policy would not result in significant change in eligibility.
19. If the Board decides not to approve that the six (6) Transition Funding components from the 2020-2022 allocation period be made exceptionally eligible for one additional allocation of Transitioning Funding, the Secretariat will continue to use other available and existing flexibilities (i.e., extensions and/or portfolio optimization) to support responsible transitions for these six (6) components, noting that this would entail more transaction costs for both country stakeholders and the Secretariat, and reduce Secretariat flexibility to support responsible transitions.

Recommendation

20. The Board is requested to approve the Decision Point presented on page 2.

²⁷ There are six components in the 2020-2022 Transition Funding cohort, out of which the earliest component started implementation on 1 October 2021, 2 components of the 6 have not yet begun implementation.

Annexes

The following items can be found in Annex:

1. Annex 1: Revised Eligibility Policy
2. Annex 2: Technical Partner Input: Disease Burden Metrics
3. Annex 3: Summary of previous Committee Input
4. Annex 4: Relevant Past Board Decisions
5. Annex 5: Links to Relevant Past Documents & Reference Materials

Annex 1 – Revised Global Fund Eligibility Policy – tracked changes

I. Overview and Objectives

1. The Global Fund’s Eligibility Policy identifies country disease components (e.g., HIV/AIDS, Tuberculosis and Malaria) that are eligible to receive an allocation from the Global Fund.¹
2. The Eligibility Policy is designed to support the Global Fund Strategy and ensure that available resources are allocated to countries with the highest disease burden and the lowest economic capacity, and to key populations that are disproportionately affected by the three diseases.
3. This policy sets forth the criteria used to determine a disease component’s eligibility. A country may be eligible to receive an allocation for one or more disease components. However, eligibility to receive a Global Fund allocation does not guarantee an allocation.²
4. While country disease components are assessed yearly against eligibility criteria, allocations are made only every three years in line with Global Fund replenishment cycles and the allocation methodology approved by the Global Fund Board. A country component must meet eligibility criteria for two consecutive years to become newly eligible for an allocation.
5. The policy does not describe other requirements which may be related to accessing funding. Additional requirements and flexibilities related to accessing funding are set forth in their respective policies.³

II. Eligible Countries/Disease Components

6. To assess economic capacity, the Global Fund will use the latest three-year average of Gross National Income (GNI) per capita⁴ to determine income classifications according to the World Bank income group categories and thresholds.⁵ This is the first criteria used to determine eligibility. Upper-middle income countries must meet additional disease burden criteria as described below.

¹ Allocations are determined in accordance with a methodology approved by the Global Fund Board.

² For example, in accordance with the Board-approved allocation methodology, the Global Fund may decide not to provide an allocation to a country component where there is no existing grant(s), where there has never been a Global Fund grant, or where a country component has successfully transitioned and/or where commitments have been made to ensure domestic financing of the program. In all cases, individual country context will be considered as part of allocation decisions.

³ This includes but is not limited to requirements set forth in the Country Coordinating Mechanism (CCM) Guidelines (Annex 1 of GF/B23/05), Sustainability, Transition and Co-financing Policy (Annex 1 of GF/B35/04 - Revision 1), and/or Challenging Operating Environments Policy (Annex 1 to GF/B35/03), each as may be amended from time to time.

⁴ GNI per capita is determined in accordance with the World Bank Atlas Method. The Atlas Method estimates the size of economies based on GNI per capita converted to current U.S. dollars. This method applies a conversion factor to reduce the impact of exchange rate fluctuations in the cross-country comparison of national incomes.

⁵ Income classifications (e.g., ‘high’, ‘upper-middle’, ‘lower-middle’, and ‘low’) will be determined using the World Bank income group thresholds for the year that the determinations are made. In cases where World Bank data for the latest three-year period is missing for one or more years, the Secretariat will average the available data from the three-year period in question (e.g., two years). If there is no data for the three-year period, the Secretariat will apply the World Bank income classification for that country (noting the World Bank assigns a classification every year even in the absence of published data), unless its income classification has changed in recent years, in which case United Nations (UN) estimates of GNI per capita will be used to determine income classification.

7. All low and lower-middle⁶ income countries are eligible to receive an allocation for HIV/AIDS, tuberculosis and malaria, regardless of disease burden.
8. Upper-middle income countries are eligible to receive an allocation if they meet the following additional requirements:
 - a. The country has at least a 'high' disease burden as defined by the criteria⁷ below:

HIV/AIDS	Tuberculosis	Malaria ⁸
HIV national prevalence greater than or equal to (\geq) 1% OR Prevalence in a key population greater than or equal to (\geq) 5% ⁹	TB incidence rate per 100,000 greater than or equal (\geq) to 50 OR Proportion of new TB cases who are drug-resistant (resistance to rifampicin) greater than or equal (\geq) to 5 percent.	Mortality rate greater than or equal to (\geq) 0.12 OR Contribution to global deaths greater than or equal to (\geq) 0.25% OR Mortality rate less than ($<$) 0.12 AND Morbidity rate greater than ($>$) 65 OR Country with documented artemisinin resistance and/or partner drug resistance

AND

⁶ In order to facilitate co-financing requirements as described in the Sustainability, Transition and Co-Financing Policy, lower-middle income countries shall be split into two income groups using the midpoint of the lower-middle income GNI per capita thresholds as the cut-off. Countries at the midpoint or below will be classified as 'lower-lower-middle income countries' and countries above the midpoint as 'upper-lower-middle income countries'.

⁷ Data sources for disease burden data: HIV/AIDS data will be officially requested from UNAIDS and WHO, and when assessing prevalence for specific key populations, the highest prevalence will be used. Tuberculosis and malaria data will be officially requested from WHO.

⁸ In order to assess the potential transmission intensity in countries, the Secretariat will use [an average of the latest available data from 2000-2004](#) as recommended and provided by WHO. [For documented artemisinin resistance and/or partner drug resistance the Secretariat will use the last available data provided by WHO.](#)

⁹ In the event that there is no officially reported prevalence data for key populations or if the data is significantly different to the previous year's data and this results in a change in eligibility, the Secretariat will seek clarification from UNAIDS to determine the disease burden data that should be used for assessing eligibility. If UNAIDS did not publish nationally reported data for certain countries because of concerns around data reliability, but is nevertheless able to share data from other sources, for example the Key Populations Atlas, with the Global Fund, this data will be used to determine eligibility.

- b. For HIV/AIDS, the country is on the Organisation for Economic Co-operation and Development's (OECD) Development Assistance Committee (DAC) List of Official Development Assistance (ODA) recipients.¹⁰

9. In addition to the above:

- a. Upper-middle income countries classified by the International Development Association (IDA) as [IDA-eligible Small States, including Small Island Economies, 'Small Island Economy Exceptions'](#)¹⁴ are eligible for an allocation regardless of national disease burden.¹¹
- b. Upper-middle income countries meeting the disease burden criteria in Paragraph 8a, but that are not on the OECD-DAC List of ODA recipients, may be eligible for an allocation for HIV/AIDS to directly finance non-governmental and civil society organizations¹², if there are demonstrated barriers to providing funding for interventions for key populations, as supported by the country's epidemiology. Eligibility for funding under this provision will be assessed by the Secretariat as part of the decision-making process for allocations.¹³

10. In line with the flexibilities outlined in the Challenging Operating Environments Policy, country disease components with existing grants that would otherwise be ineligible due to disease burden or income level may continue to be eligible as long as the country remains classified as a Challenging Operating Environment.¹⁴

11. Malaria Resurgence: In the event of an unusual increase in malaria cases in either (a) an upper-middle income country that is currently not eligible due to [the average of the latest available 2000-2004](#) -data or (b) a low, lower-middle, or upper-middle income country that has (i) been certified as malaria-free by WHO and is included in the official WHO register of areas where malaria elimination has been achieved; or (ii) is on the WHO 'Supplementary List' of countries that are malaria-free but not certified by WHO, WHO, in consultation with technical partners, will conduct a risk assessment in line with principles laid out in the WHO Emergency Response Framework. Based on the results of the risk assessment and the recommendation of technical

¹⁰ The OECD-DAC publishes a list of countries that are eligible to receive ODA. The list consists of all low- and middle-income countries based on GNI per capita as published by the World Bank, with the exception of G8 members, European Union members, and countries with a firm date for entry into the European Union. The list also includes all of the Least Developed Countries as defined by the UN (Source: OECD).

¹¹ [Small Island Economies \(SIEs\) are a subset of Small States and are covered by IDA's SIE Exception Policy. IDA defines the borrowing on 'small island economy exception' terms' as extends to small islands and states \(i.e., with less than 1.5 million people that have\) significant vulnerability due to their size and geography, and have very limited credit-worthiness and financing options. These countries are eligible to borrow on small economy terms that and have been granted exceptions in maintaining their IDA eligibility](#) (Source: IDA/World Bank).

¹² Funding requests in this context must be submitted directly by a non-CCM applicant or other multi-stakeholder coordinating body and the government may not directly receive funding. Specific requirements, including but not limited to requirements related to the Sustainability, Transition and Co-financing Policy and funding request development, may also apply.

¹³ As part of its assessment, the Secretariat, in consultation with UN and other partners as appropriate, will look at the overall human rights environment of the context with respect to key populations, and specifically whether there are laws or policies which influence practices and seriously limit and/or restrict the provision of evidence-informed interventions for such populations.

¹⁴ Annex 1 of GF/B35/03.

partners, the Secretariat may recommend to the Board that a country be eligible to receive funding, subject to the availability of funds.

12. Applicants, regardless of income level or disease burden, are eligible to use allocation funds for resilient and sustainable systems for health (RSSH) in line with their country and epidemiological contexts.¹⁵
13. A multi-country applicant will be eligible for funding if the majority (i.e., at least 51 percent) of countries included are eligible for funding in their own right.¹⁶

III. Ineligible countries/disease components

14. High income countries and members of the OECD-DAC are not eligible to receive an allocation.
15. Countries are not eligible to receive an allocation for malaria if they: (i) have been certified as 'malaria-free' by the WHO and are included in the official register of areas where malaria elimination has been achieved; or (ii) are on the WHO 'Supplementary List' of countries that are malaria-free but not certified by WHO.
16. Upper-middle income countries that are members of the Group of 20 (G-20) who were ineligible before the approval of this policy are not eligible to receive an allocation, unless they meet the criteria under paragraph 9.b.

IV. Transition Funding Provisions

17. Country disease components that become ineligible during an allocation period will remain eligible for the duration of that period, although the Secretariat may require specific time-bound actions in order to facilitate eventual transition from Global Fund financing in line with the Sustainability, Transition and Co-financing Policy.
18. To support transition from Global Fund financing, country disease components with existing grants that become ineligible may be eligible to receive up to one allocation of Transition Funding to support priority transition needs¹⁷ following their change in eligibility, unless the reason for the change in eligibility is due to the country moving to High Income status or becoming a member of the OECD-DAC.¹⁸
19. The Secretariat will determine the appropriate period and amount of Transition Funding in line with the Sustainability, Transition and Co-financing Policy, taking into account the allocation methodology, country context and existing portfolio considerations.

¹⁵ Applicants must also meet application focus requirements described in the Sustainability, Transition and Co-Financing Policy as well as any other investment guidance provided by the Global Fund.

¹⁶ Multi-country funding requests may either be funded by grouping single country allocations or may be funded through catalytic funding. For the purposes of determining whether a multi-country applicant meets the 51 percent criteria, country components that are receiving Transition Funding will be considered as 'eligible'.

¹⁷ In line with the requirements and principles outlined in the Sustainability, Transition and Co-Financing Policy, these needs should be included as part of a country-led transition work plan.

¹⁸ The Secretariat may exceptionally request on a case-by-case basis that the Global Fund Board approve one additional allocation of Transition Funding in order to allow for the financing of critical transition activities that are essential to supporting transition from Global Fund financing. Any allocation of additional transition funding must also be accompanied by specific, clear domestic commitments in line with the principles of the Sustainability, Transition and Co-Financing Policy.

Annex 2 – Technical Partner Input: Disease Burden Metrics

Note: Technical Partners provided their input on the disease burden metrics for UMI eligibility together with the metrics for the Allocation Methodology. Their input is available here:

1. [Technical Partners Recommendation for HIV](#)
2. [Technical Partners Recommendation for TB](#)
3. [Technical Partners Recommendation for Malaria](#)

Annex 3 – Summary of previous Committee Input

[46th Board meeting Summary of Pre-Day Board Sessions, 3-4 November 2021, pages 8-10](#)

Draft SC18 Meeting Report notes:

Presentation

1. Opening the session, the SC Chair noted that the review of the Eligibility Policy has been brought to the SC at its 15th, 16th and 17th meetings, noting that during SC17 no constituencies flagged the need for major revisions to the policy¹⁹.
2. The Secretariat presented the minor revisions to the Eligibility Policy. These include alignment of terminology in paragraph 9 (a) of the policy (with respect to the Small Island Economy Exception) and alignment of data period for upper middle income (UMI) malaria burden indicators with the Allocation Methodology – i.e., average of latest available data from 2000- 2004.
3. In addition, the Secretariat presented a recommendation to make the six (6) components that received transition funding for the 2020-2022 allocation period exceptionally eligible for an additional allocation of transition funding for the 2023-2025 allocation period, noting that without an explicit Board decision would not be eligible to receive an additional allocation of transition funding. The Secretariat highlighted that it had also exercised flexibilities to extend, where appropriate, grants that received Transition Funding in the 2017-2019 allocation period, including recommending approximately USD 3 million of Portfolio Optimization to support extensions of 3 countries (4 components).
4. In response to comments raised in constituency statements, the Secretariat noted the following:
 - i. A significant impact of the COVID-19 pandemic on eligibility has not been seen to date, with only one country component becoming newly eligible in 2022 due to moving down from UMI to LMI, while at same time 7 countries moved up a classification. Transition projections have also slowed with only 11 components now projected to transition before 2028 based on the 2021 projections, (compared to previous projections of an additional 21 components).
 - ii. Non-eligible countries in crisis: the SC did not note the need for a revision to the policy in October 2022 and concerns that were being raised now are due to the current situation in the Ukraine and in neighboring countries. The Secretariat reminded the SC that the current approach allows us to consider funding a non-eligible country/component (not high-income) that is having a

¹⁹ Page 13-15, Report of the 17th Strategy Committee Meeting, [GF/SC17/26](#).

health crisis that could have an adverse impact on the global response to HTM and whose magnitude warrants Global Fund support. A change would be needed if the Board would wanted to extend this to high income countries. There are existing policies (i.e., the Challenging Operating Environments (COE) policy) and tools (i.e., the Emergency Fund) to deal with the impact of migrants in countries, including non-eligible countries.

SC Discussion

5. The SC thanked the Secretariat for the work done to date and the following points were raised:
 - i. **Economic capacity indicator:** Some SC members requested clarification on the other indicators that were considered alongside Gross National Income per capita (GNI p.c.) for assessing economic capacity and observed the need to be able to better measure inequity, not just at the Global Fund but also at the wider partnership level.
 - ii. **Emergency support:** Although not within the realm of the Eligibility Policy, SC members requested more clarity on the mechanisms available to aid non-eligible countries in crisis as well as those facing dire economic conditions in the aftermath of COVID-19.

Secretariat Response

6. The Secretariat provided the following responses:
 - i. **Economic capacity indicator:** The Secretariat reminded the SC of the external review²⁰ that was provided to the SC and Board in October 2021 which assessed different indicators to measure economic capacity. GNI p.c. was assessed to be the most appropriate indicator for eligibility due to its availability across a large cohort of countries, its robust methodology and data simplicity. It was also noted that inequity will be considered along with other economic capacity indicators, such as fiscal space, as part of the qualitative adjustments which will be presented to the SC in July for approval.
 - ii. **Emergency support:** The Secretariat clarified that there are tools and flexibilities within the Sustainability, Transition and Co-financing Policy as well as the COE Policy, which can be used to tackle emergency situations. The Secretariat also provided an update on the ongoing efforts by the Global Fund on the international geopolitical situation.

SC decision

7. The SC unanimously recommended the revised Eligibility Policy (GF/SC18/DP01) and the decision to make the 6 2020-2022 Transition Funding components exceptional eligible for an additional allocation (GF/SC18/DP02) for Board approval at its 47th Board Meeting in May 2022.

²⁰ [Assessing economic capacity in the Eligibility Policy and Allocation Methodology](#)

Links to the SC Meeting Reports are provided below:

[17th Strategy Committee meeting: 5,6 and 15 October 2021, pages 13-15](#)

[16th Strategy Committee meeting: 5-6 July 2021, pages 5-6](#)

[15th Strategy Committee meeting: 25, 26 and 30 March 2021, pages 7-8](#)

Annex 4 – Relevant Past Board Decisions

Relevant past Decision Point	Summary and Impact
GF/B39/DP03: Approval of the revised Eligibility Policy (May 2018) ¹	Approved the revised Eligibility Policy, which includes significant updates to TB disease burden metrics to increase robustness, as well as more minor changes related to malaria burden thresholds and certain special provisions for upper-middle income countries. It was also restructured for more clarity.
GF/B39/04: Potential Engagement with Non-eligible Countries in Crisis ²	Approved an approach through which the Global Fund may engage with non-eligible countries facing emergencies that adversely impact progress against HIV, TB, and malaria.
GF/B35/DP08 Sustainability, Transition and Co-financing Policy (April 2016) ³	Approved the Sustainability, Transition and Co-Financing Policy, which outlines the high-level principles for engaging with countries on long term sustainability of Global Fund supported programs, as well as a framework for ensuring successful transitions from Global Fund financing.
GF/B35/DP07: Revised Eligibility Policy (April 2016) ⁴	Approved a revised standalone Eligibility Policy that only stipulates the criteria that will be used to determine eligibility for country disease components. The revised Eligibility Policy included minimal changes to update and clarify language and incorporated the use of a 3-year average of latest GNI per capita to determine income level for Global Fund eligibility purposes. The revision also incorporated flexibilities for eligibility for Challenging Operating Environments (COEs)

¹ https://www.theglobalfund.org/media/7409/bm39_02-eligibility_policy_en.pdf

² <https://www.theglobalfund.org/board-decisions/b39-dp04/>

³ <https://www.theglobalfund.org/board-decisions/b35-dp08/>

⁴ <https://www.theglobalfund.org/board-decisions/b35-dp07/>

in line with the Board approved policy (GF/B35/03) and made amendments to Transition Funding to allow almost all existing grants to be eligible for Transition Funding upon becoming ineligible. If the Board approves the decision point presented above, the revised Eligibility Policy set forth in this paper will supersede the eligibility policy contained in the “Eligibility and Counterpart Financing Policy”.

Annex 5 – Links to Relevant Past Documents & Reference Materials

1. [Current Eligibility Policy](#), approved in May 2018
2. [External Review of Economic Capacity Indicators *Assessing economic capacity in the Eligibility Policy and Allocation Methodology*](#)
3. Presentations and papers from the 15th, 16th, 17th and 18th SC can be found here:
 - SC15: [Eligibility Policy and Allocation Methodology Review](#)
 - SC16: [Eligibility Policy and Allocation Methodology Review](#)
 - SC17: [Eligibility and Allocation Review: Catalytic Investments, Country Economic Capacity, Disease Burden and Other Areas](#)
 - SC18: [Revisions to the Eligibility Policy](#)