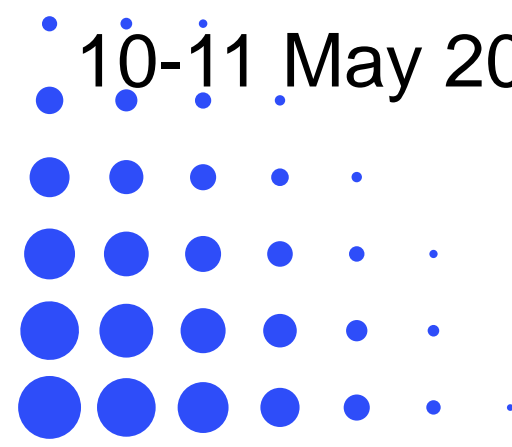
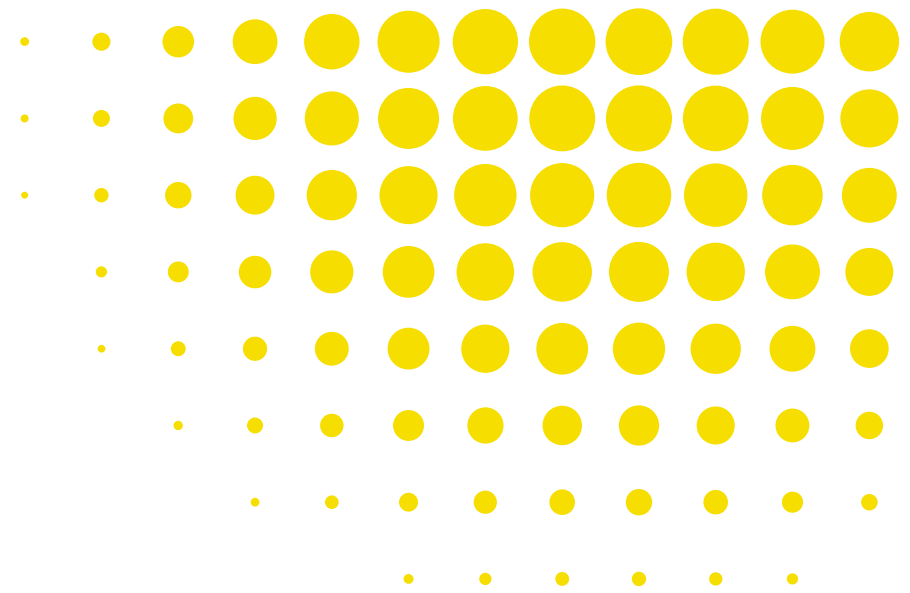




Update on Country Funding and Catalytic Investments

GF/B49/07

- 49th Board Meeting
- 10-11 May 2023, Ha Noi, Viet Nam



Update on Country Funding

- The Secretariat prepares a regular update on country funding for each Strategy Committee and Board meeting. It includes an overview on the progress of the funding request and grant approval process, and tracks the conversion of country allocations into signed grants.
- Since the last Board meeting, allocation letters have been sent to applicants, and the Secretariat and the broader partnership have been actively engaged in supporting country dialogue, in preparation for Grant Cycle 7. The expectations related to the new Strategy have been embedded in the trainings, webinars, e-learnings and applicant guidance material made available from July 2022 onwards.
- The Strategy Committee expressed appreciation to the Secretariat for preparing and sending the allocation letters before the end of 2022 despite the challenging context, and for all the efforts done to support applicants in the development of high-quality funding requests. SC members highlighted the close engagement with technical partners and appreciated the integration of specific RSSH, human rights, and gender modules in the trainings and webinars conducted, supporting countries to better integrate these topics in Global Fund grants.

2023-2025 Allocation Period Timeline

2022						2023				
July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May

Application Materials Published

FAQs

Applicant Handbook

Secretariat Trainings

Webinars for Wider Partnership

Support for partner-hosted workshops, meetings, trainings, etc

eLearnings on applicant expectations, forms and annexes

CCM-led Country Dialogue

Allocation letters sent

20 March
W1 submission
and TRP Review

30 May
W2 submission

Change Coordination Efforts

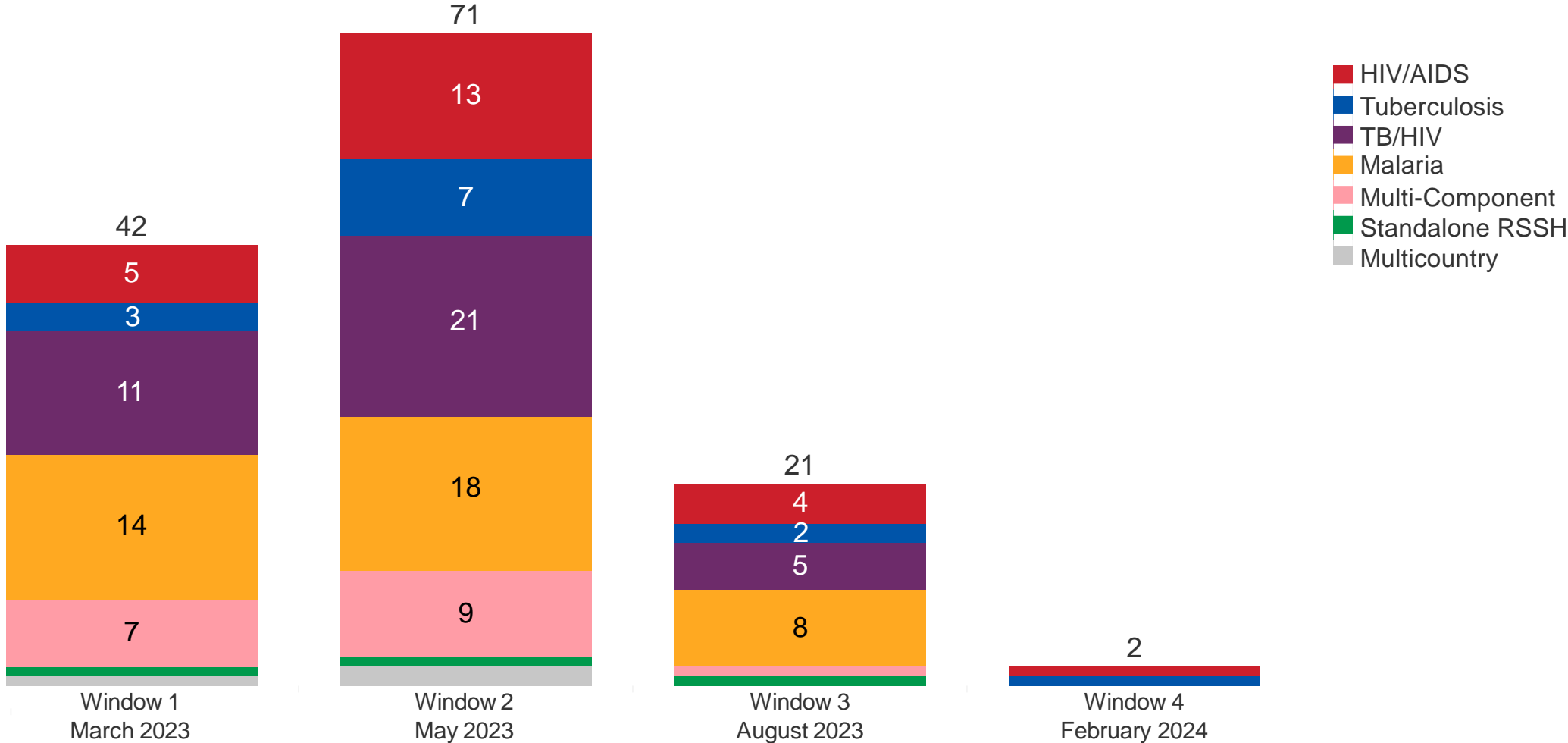
Over 6,800 users and participants to date

Change Coordination	Figures
Printed Materials	Applicant Handbook downloaded by over 1,000 unique users FAQs downloaded by over 600 unique users
Secretariat Trainings	10 Secretariat-wide trainings organized with 1,800 participants over the 10 sessions
Partnership Webinars	11 webinars for wider Partnership with 2,400 participants, with live interpretation and translated slides
Support for Partners	In-person and virtual presentations/Q&As/trainings/workshops with Regions, Constituencies, CTs, Technical Partners etc.
eLearnings	13 eLearnings offered in both English and French on iLearn with over 1,000 learners

Applicant Guidance Materials: <https://www.theglobalfund.org/en/applying-for-funding/design-and-submit-funding-requests/applicant-guidance-materials/>

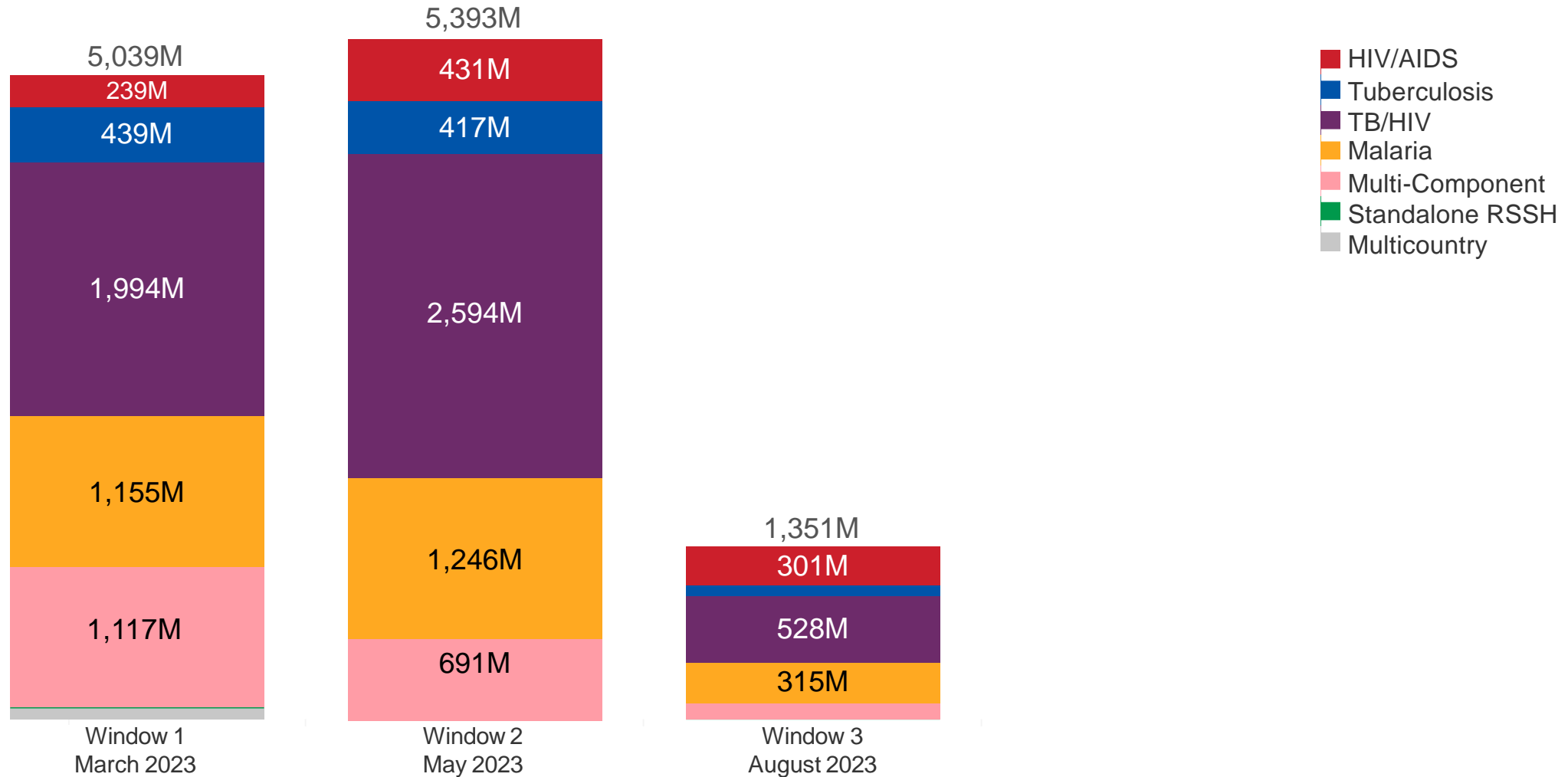
Funding Request Registrations by TRP Window

Approximately 205 Funding Requests are expected in the 2023-2025 allocation period. 136 Funding Requests (66%) have been registered to date. The majority of Funding Requests for this allocation period will go through TRP review in the first half of 2023.



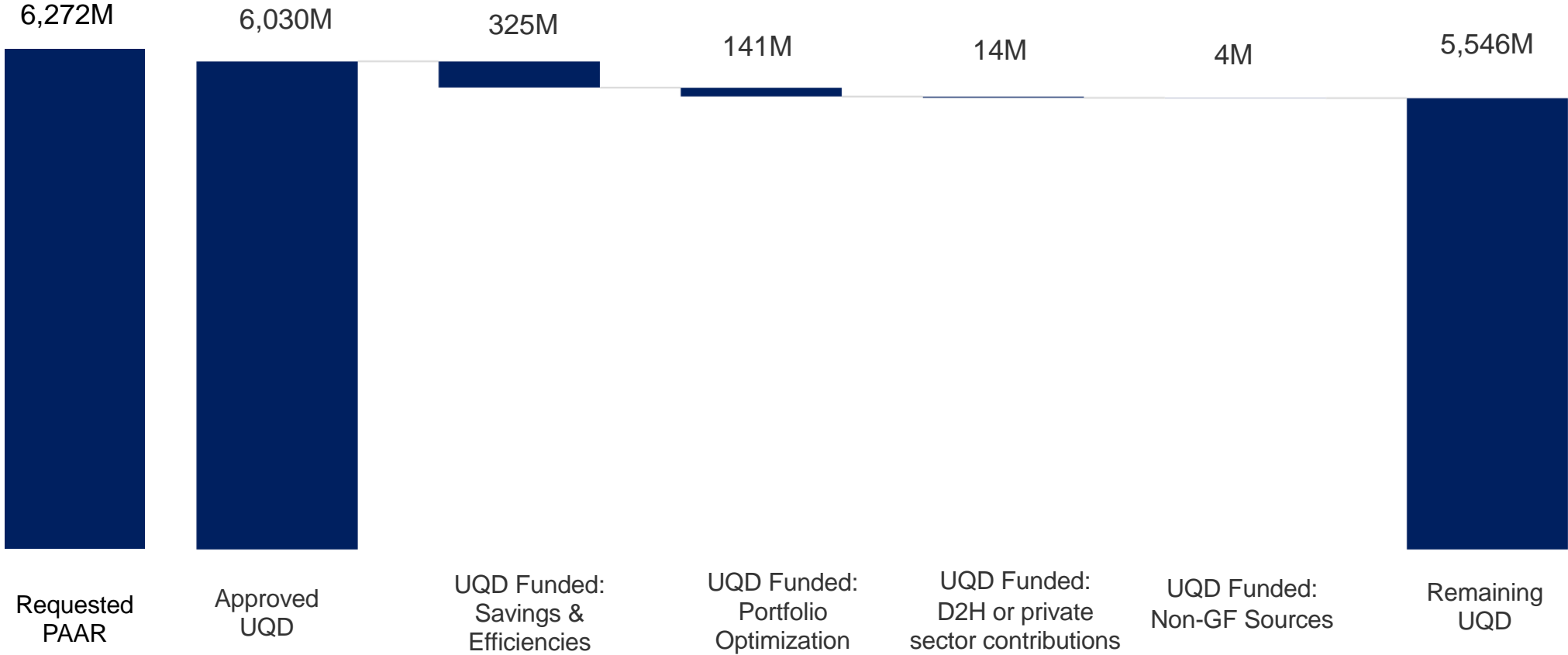
Allocation Amount by TRP Window

Funding Requests currently registered for review in 2023 amount to US\$11.8 billion, 90% of the communicated allocation of US\$13.1 billion.



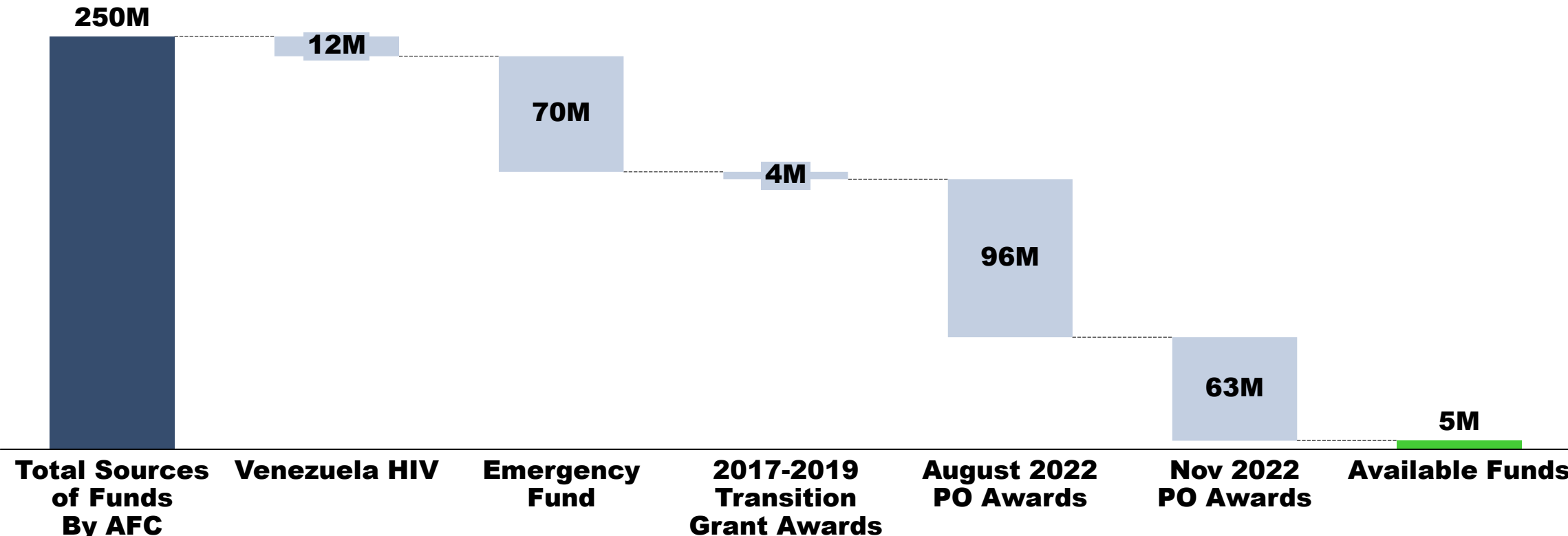
2020-2022 Unfunded Quality Demand

The TRP approved US\$6 billion in UQD for Grant Cycle 6. US\$5.5 billion remains on the UQD Register.



2020-2022 Portfolio Optimization

Investment of funds made available by the AFC for Portfolio Optimization in Grant Cycle 6 (as of 28/03/2023)



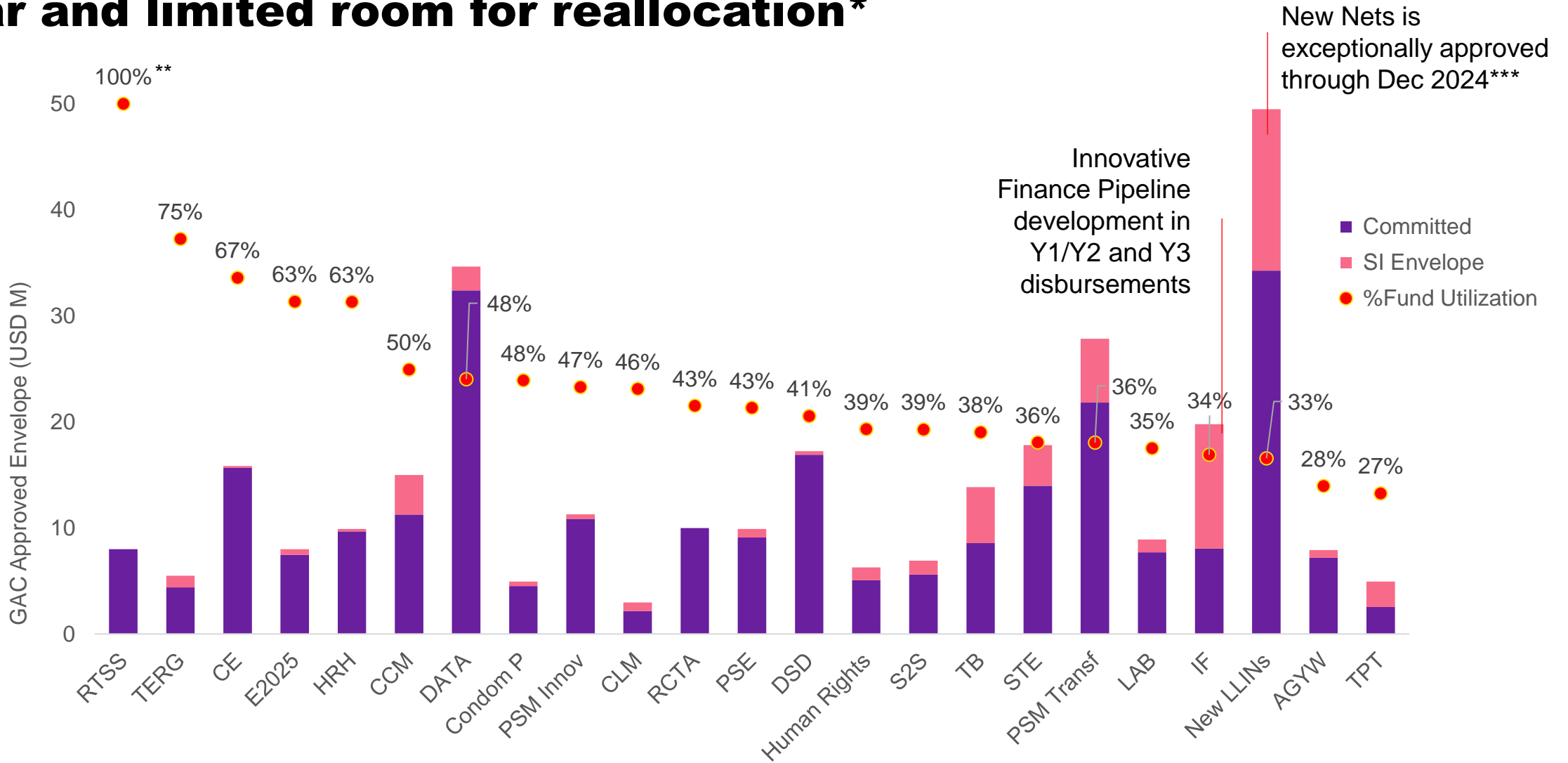
Investment of Funds:

- In December 2021 the Board approved US\$12M of Portfolio Optimization funds to be used to address the health crisis in Venezuela (GF/B46/EDP02).
- The Board approved Portfolio Optimization funds to be used to top up the Emergency Fund on two occasions (1) US\$30M in March 2022 (GF/B46/EDP17) and (2) US\$40M in October 2022 (GF/B47/EDP17).
- “Available Funds” include funds not yet awarded and funds returned to the PO pool post GAC-award, due to savings and efficiencies identified in the PO grant revisions process.

Update on Catalytic Investments

- The Secretariat prepares semesterly updates* on Catalytic Investment Operationalization for the Strategy Committee and Board. Catalytic Investments are composed of three (3) modalities – Matching Funds, Strategic Initiatives and Catalytic Multicountry Funds. Matching Funds (MF) and Catalytic Multicountry Funds (MC) are also integrated into grant reporting.
- For Strategic Initiatives (SI), SC and Board updates include an overview of portfolio performance with SI level information on financial and programmatic progress to targets. SI by SI implementation plans (including theories of change, objectives and results frameworks) are assessed by the Technical Review Panel (TRP) and approved by the Grants Approval Committee (GAC)**. Similar to grants, regular updates and proposed shifts are also shared with the GAC, as further elaborated on in the [Operational Policy Note](#). More granular updates, including on the design and development of GC 7 SIs, are shared with technical working groups, disease situation rooms, advisory groups and other partnership fora.
- In March 2023, the SC commended the work already undertaken toward the operationalization of CIs. The committee noted the concerns and challenges implied by reduced CI funding in GC7 and acknowledged, per the Comprehensive Funding Policy (CFP), that unused GC 6 CI funding cannot be allocated to CI priorities in GC 7.
- In this context, the committee highlighted the importance of utilizing any projected underspend within the SI portfolio to respond to emerging country demand. The Secretariat committed to meeting this need through the approved tools of revisions *within* existing SIs to maximize potential; *among* SIs through reallocation; and, to develop a prioritization framework for SI optimization given the high level of commitments which leave limited flexibility to revise and/or reallocate.

As of Dec 2022, SIs utilized 43% of GAC approved budgets and commitments at over 80% signal increased implementation in final year and limited room for reallocation*



*Financial commitments to technical partners and implementation providers based on agreed upon programmatic plans represent a contractual commitment (these funds cannot easily be reallocated to emerging needs). Disbursements made upon deliverables implemented. **Funding is fully disbursed as part of a broader partnership approach, with expenditures against disbursement reported annually. ***Approved by GAC in 2021 given design and partnership approach – criteria for extensions beyond grant cycle creates a high bar and precludes delays or requested increases in scope, for example. The 10 uncommitted funding is not being reviewed currently for reallocation given the extended implementation period and presents the largest portion of uncommitted and unutilized SI funding planned.

Programmatic progress is strong, averaging 82% this semester, reflecting portfolio *acceleration* in S4

SI	Programmatic Progress
Malaria RTSS	100%
CE	100%
Human Right	100%
Condom Prog	98%
LLIN	96%
PSM Transf	96%
PSM Innov	92%
CLM*	87%
Innovative Finance*	84%
TERG	83%
Malaria E2025	82%
TPT	80%
S2S*	80%
CCM	79%
Data	78%
HIV DSD	78%
STE	74%
AGYW*	71%
TB Missing people*	68%
Nat Lab	67%
Malaria RCTA*	64%
HRH*	64%
PSE	61%

Considerations & insights

- ✓ **SI programmatic progress is measured *semesterly*, whereas financial performance is *cumulative*** (fund utilization & commitments) against GAC approved budgets (approximately 3 years)
- ✓ **Programmatic results may *not* always translate in significant fund utilization** but are important to assessing progress in meeting SI objectives
- ✓ **Not all metrics are the same, nor should they be** – 42% of metrics reported in S4 are process-focused (vs results) as milestones against the broader objective(s) the SI seeks to catalyze. To differentiate, SIs where more than half of indicators reported against are process focused are marked with *

Addressed
in GC 7

With a forecasted underspend, critical to address country demand through *SI reallocation* with exploration of *optimization* underway*

- Reallocation analyzes **'demand'** based on GAC approved criteria including feasibility to implement *prior* to December 2023, through high performing SIs
- Identification of **'supply'** focuses on using uncommitted, **forecasted underspend*** to maximize the intended impact of these funds before Dec 2023
- Extensions face a high bar with GAC given the **need to pivot to the GC7 priorities**** and associated costs with maintaining overlapping cycles
- **Transparency remains central** with the GAC and SC*
- In March 2023 (SC_21), SC members recommended **exploring SI optimization as an additional tool to maximize catalytic effect of SIs***

Clear parameters to ensure limited use of AUP extensions

SI AUP extensions must meet **all below criteria** will and be **approved by GAC**:

- ✓ Driven by **structural/external dependencies** beyond the control of the SI/Global Fund*
- ✓ **Not to accommodate delayed activities** ; SI to demonstrate sufficient lead time was considered in activity design and planning.
- ✓ Focused on **specific, discreet activities** that cannot be completed within the standard timeline due to external dependencies
- ✓ Used as the **last option** after considering all other strategies
- ✓ Limited to activities that are **critical to the overall success of the SI**
- ✓ Allowed for a **maximum period of 1 year**

*All reallocations identified are approved by GAC and included in SI reporting to the SC – should the reallocation exceed 10% of any priority, these will come to the SC for approval (GF/B41/DP04). Strategic Initiatives do not have the option to optimize. The SC has indicated interest in exploring SI optimization (SC21, March 2023), thus a framework is under development for SC consideration
**Only the Malaria New Nets Strategic Initiative is approved for an extension through 2024 as it was identified early in the cycle (2021) that the model included sequential, evaluative components that could not be completed within the 3-year implementation period.

Next steps on CI operationalization to maximize GC 6 impact and ensure GC 7 implementation readiness

Maximize GC 6 SIs

- ✓ Finalize **GC6 SI reallocation** to invest in existing and emerging country demand
- ✓ **Prioritize catalytic deliverables** in the remaining 7 months
- ✓ Share **SI optimization framework** for SC review in July
- ✓ **Prepare for implementation closure & learning** of GC 6 SIs (Dec 2023)

Launch GC 7 CIs

- ✓ **Maintain transparency** with dedicated web pages for each catalytic modality, including guidance/policy notes, FAQs and webinar recordings
- ✓ **Refine MC approaches** based on stakeholder feedback, evaluation & updated funding amounts
- ✓ **Begin review and approval of GC 7 CIs** - SI implementation plans, followed by GAC approval; with MFs and MC following standard approach through TRP, GAC and Board
- ✓ Develop and regularly update a **geographic map** of CIs as they are approved, per commitment on geographic prioritization



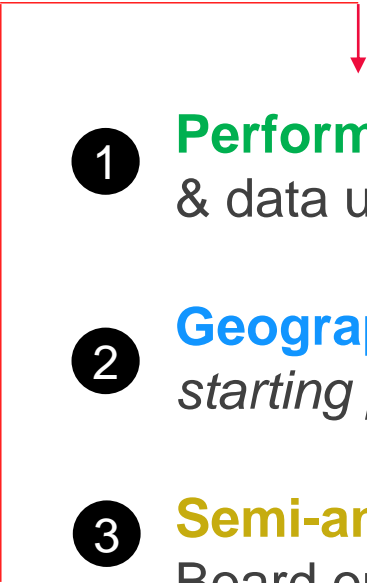
Annex

Annex 1. Recall the core elements of CI operationalization

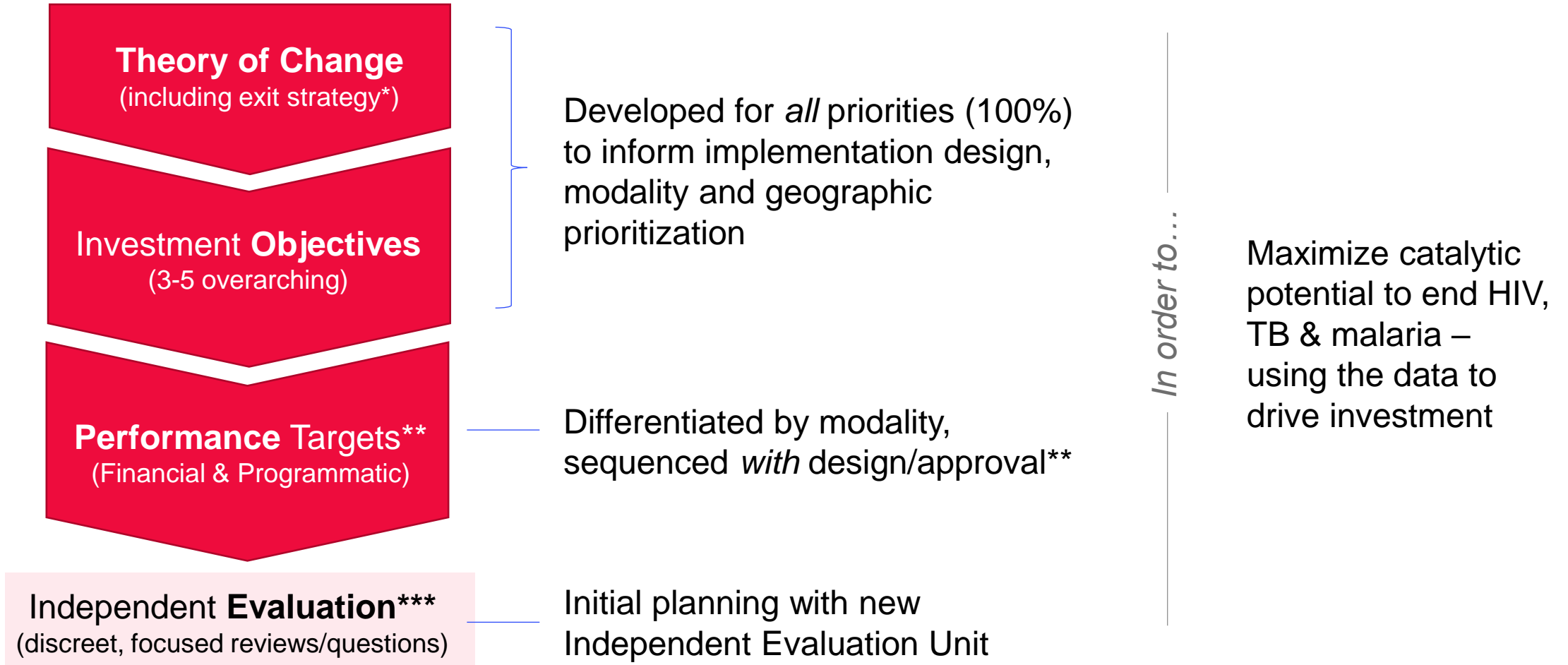
As *committed* during the May Board meeting, per GF/B47/DP06

Approves that the Secretariat will:

- i. operationalize Catalytic Investments, considering TRP and TERG recommendations as well as available **program and financial performance data** from ongoing catalytic investments, and work with partners to ensure that Catalytic Investments have clear **objectives, expected outcomes and impact** and transparency in the investment decisions on **geographic prioritization and country selection**;
- ii. update the Strategy Committee, at its July 2022 meeting, on the status of such operationalization and planned next steps, and report, bi-annually, to the Strategy Committee and Board thereafter on further operationalization;

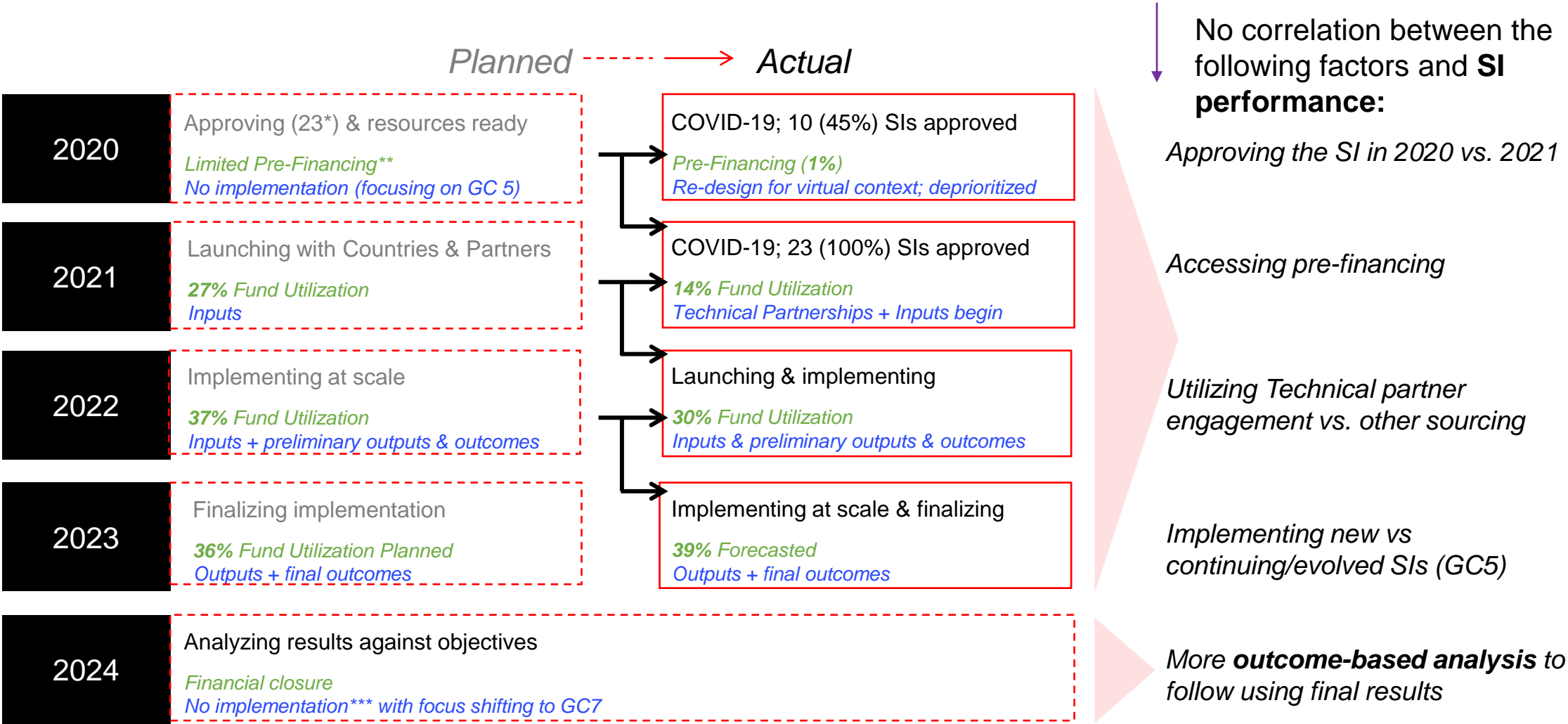
- 
- 1 **Performance approach** to monitoring & data use *endorsed at July SC*
 - 2 **Geographic prioritization** across CIs *starting post replenishment*
 - 3 **Semi-annual reporting** to the SC and Board on CIs *underway*

Annex 2. Endorsed CI Performance Approach *launched*



*While exit planning is a consistent TOC element, timelines are highly dependent on the specific investment/area **Differentiated by modality: SIs report semesterly to SC; MCs/MFs integrated into grant reporting (Performance Frameworks) with reporting frequency dependent on portfolio; MFs contribute to grant performance. ***TERG evaluations of SIs and MC in 2021 provided foundational steer with recommendations informing current and future cycles; many SIs include evaluations (mid- and end- term), further evaluation anticipated in 2024 to consider current cycle learnings and prospective recommendations

Annex 3. Delays from COVID-19 cascaded into *all* aspects of delivery, more than any other variable analyzed



*Emergency Fund is not GAC approved; **Per the SI OPN, pre-financing for SIs is limited to \$500K on pre-shaping activities or 10% of the total, whichever is less. ***New Nets SI was GAC approved in 2021 to extend through 2024 (see slide 14)