

GF/B31/08A

Board Decision

Revision 1

SPECIAL INITIATIVES

PURPOSE: The purpose of this paper is to present to the Board a set of proposed special initiatives and a recommendation on funding for these, recognizing that these are not funded through allocations to Country Bands.

PART 1: INTRODUCTION

1.1 As part of the development of the new funding model (NFM), The Global Fund Board, at its Twenty-Seventh Meeting, decided that it could “choose to allocate up to ten percent of all available funding for programs, activities and strategic investments not adequately accommodated through the distribution of funding to the Country Bands” (GF/B27/DP7 Annex 1, Section 2).

1.2 Through discussions at the 8th, 9th, 10th and 11th SIIC Meetings, the SIIC has worked with the Secretariat to define those programs, activities and strategic investments as special initiatives and regional programs for Board consideration. This paper presents an overview of the special initiatives, along with estimated costs, that have been reviewed by the SIIC and are put forth in the Decision Point below (regional programs are addressed in a separate paper).

1.3 It is important to note that, wherever possible, the Secretariat has committed to make every effort to reimburse special initiatives funds from country grant allocations. Ongoing monitoring of this by FOPC will be important.

Humanitarian Emergency Fund

1.4 The Humanitarian Emergency Fund seeks to provide quick access to funds and greater flexibility to enable the Global Fund to fight the three diseases in certain emergency situations¹. The main emphasis of the Humanitarian Emergency Fund will be to prevent disruptions to the continuity of treatment and essential services of HIV, tuberculosis, and malaria by supporting activities that, during emergency situations, cannot be funded simply through the reprogramming of existing grants.

1.5 Funding would be short-term and time-bound, covering the specific disease emergency until longer term financing could take over. Moreover, funding would be available only if the essential emergency response cannot be covered under an ongoing Global Fund grant (either through regular activities or reprogramming of resources) or through another source of funding to which the country or region in question has access. The Secretariat has committed to developing and publishing guidelines on the use of these funds to define clearly their purpose.

1.6 The SIIC recommends immediate approval of US\$ 30 million for the Humanitarian Emergency Fund for the three-year allocation period from 2014-2016. Instances of utilization of this Fund would be reported to the FOPC.

Country Data Systems

1.7 The objective of this initiative is to strengthen key data systems needed for impact assessments to support the Mid-term Review of the Global Fund Strategy 2012-2016 and to address key data gaps identified for implementing the new funding model. Strengthened country data systems are crucial to making robust plans and measuring and evaluating impact.

¹ An emergency situation in a country can be defined as one in which an event or a series of events has resulted in a critical threat to the health, safety, security or well-being of a large group of people. It can be the result of an armed conflict and coup d'état, natural disasters, epidemics or famine, and often involves population displacement. The GF response will be limited to the crises associated with the three diseases.

1.8 Data needed for impact assessments sometimes require wider data systems and structures than overseen by Global Fund Principal Recipients (PRs)/ Sub-Recipients (SRs). Strategic investments outside grant allocations have greater flexibility, have wider scope, and facilitate a more systematic approach to improving country health information systems. Moreover, in order to successfully execute the Mid-Term and End-term Reviews of the Global Fund Strategy, it is critical that the Global Fund make such investments through this initiative.

1.9 The Technical Evaluation Reference Group (TERG) identified four key areas to support immediate data needs, beginning in 2014. These key areas are: 1) Most-At-Risk Populations (MARPs) size estimations and targeted surveys; 2) service quality assessments; 3) mortality data (hospital mortality analysis and vital registration); and 4) strengthening country analytic capacity. The TERG, at its 22nd Meeting, endorsed a request for an additional investment of approximately US\$ 20 million in 20 priority countries² over 2014-2016 to address these four key areas. This is in addition to \$10 million already approved by the Board for similar purposes³.

1.10 SIIC initially recommended immediate approval of US\$ 5 million for the Country Data Systems initiative after its 10th Meeting in February 2014. The SIIC requested the Secretariat to provide a prioritized list of countries with target outcomes before additional funding would be provided for this initiative. Following discussion of the updated information presented at the 11th SIIC Meeting on 5 March 2014, the SIIC agreed to modify its initial recommendation and request the Board to immediately approve US\$ 17 million for the Country Data Systems initiative.

Technical Assistance for Strong Concept Notes and PR Grant-making Capacity Building

1.11 The initiative on Technical Assistance for Strong Concept Notes focuses on supporting select countries applying for funding to develop quality concept notes based on robust national strategic plans. During the piloting of the NFM in 2013, it was recognized that focused quality technical assistance is key during country dialogue and the development of robust funding requests, and at times resources are not readily available to support its provision.

1.12 The Global Fund Secretariat has actively engaged bilateral and multilateral partners in discussions on technical support needs for the new funding model roll out. The Global Fund Secretariat is working closely with the World Health Organization, Roll Back Malaria and Stop TB Partnership, to develop “Deliverable-based Partnership Agreements” across the three diseases and on Health Systems Strengthening (HSS)/Reproductive, Maternal, Neonatal and Child Health (RMNCH) focusing on identified critical unfunded technical assistance needs. The Secretariat is engaging partners through different fora to shape the agreements including the Global Fund Disease Committees for HIV, TB and Malaria and the coordination group for Bilaterals (GIZ⁴, FEI⁵ and USG -PEPFAR⁶ and PMI⁷). The Secretariat is working closely with Bilaterals to ensure a coordinated approach and complementarity.

² These are the 20 priority countries which were initially identified by the Board in its decision on “Strategic Investment in Monitoring and Evaluation” (GF/B28/EDP/02).

³ “Strategic Investment in Monitoring and Evaluation” (GF/B28/EDP/02)

⁴ Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

⁵ France Expertise Internationale

⁶ President's Emergency Plan for AIDS Relief

⁷ President's Malaria Initiative

1.13 These agreements will aim to coordinate and deliver demand-based TA of selected deliverables in the pre-concept note and concept note development stage. The deliverables are disease and HSS/RMNCH specific and include: support to epidemiological assessments, program reviews; programmatic and financial gap analysis; and support to strengthening national strategic plans as well as translating national strategic investment approaches into Global Fund concept notes.

1.14 Based on the discussions at the 10th SIIC Meeting, the SIIC initially recommended immediate approval of US\$ 29 million toward Technical Assistance for Strong Concept Notes.

1.15 The initiative on PR Grant-making Capacity Building focuses on strengthening the capacity of new implementers and sub-implementers to ensure the signing of disbursement-ready grants. The initiative will allow the Secretariat to work with new implementers, especially civil society implementers, without access to existing grant funds or other sources of funds (including pre-financing by the PR), to strengthen their capacity during grant making.

1.16 Currently, the Secretariat has no way of providing funds to PRs and SRs before a grant is approved by the Board. The new funding model aims to ensure that grants recommended for funding to the Board are disbursement ready, and this may limit the opportunity for new implementers without access to existing funds to participate in Global Fund programs, unless flexible funds are available to support capacity building.

1.17 The SIIC requested the Secretariat to present updated information on the PR Grant-making Capacity Building initiative at the 11th SIIC Meeting, at an initial proposed cost of USD 0.5 million.

1.18 Based on discussions at the 11th SIIC Meeting, the SIIC recommends the approval of US\$ 29 million for both the Technical Assistance for Strong Concept Notes and PR Grant-making Capacity Building initiatives.

Technical Assistance on Community, Rights and Gender

1.19 This initiative aims to: provide technical assistance and capacity building to key populations and civil society networks; ensure that technically sound interventions to address human rights barriers to accessing health services, gender equality, and CSS are included in concept notes; and ensure that key populations are meaningfully engaged in country dialogue.

1.20 This technical assistance initiative will focus primarily on identification, resourcing and training of domestic civil society organizations (CSOs), regional CSOs, and key population networks to draw on their expertise and experience to act as technical assistance providers in their own countries.

1.21 This initiative will help promote long-term sustainability, and support information-sharing, capacity building and advocacy to ensure that high quality Community, Rights and Gender issues that remove barriers to service delivery are approved in concept notes, maintained during grant-making and implemented effectively.

1.22 The Secretariat has committed to ensuring that grants and contracts funded under this special initiative include clear, measurable outcomes and a process by which they are regularly monitored.

1.23 The SIIC recommends an immediate approval of US\$ 15 million toward Technical Assistance on Community, Rights and Gender.

Enhancing Value for Money and Financial Sustainability of Global Fund Supported Programs

1.24 The SIIC reviewed at its 10th Meeting an initial request for USD 8.5 million to finance this initiative, and requested the Secretariat to present a more detailed rationale for including this among the Special Initiatives, before concluding its final recommendation to the Board

1.25 This initiative seeks to improve the financial sustainability of Global Fund programs by providing technical assistance and capacity building and leveraging partnerships to monitor domestic spending, to develop fiscal sustainability plans, and to explore innovative financing approaches such as health insurance. It aims to build country capacity and leverage partnerships at the global, regional, and country level to harmonize the approach to interlinked areas of costing (including unit costs), financing, expenditure tracking, fiscal space analysis, and sustainability planning.

1.26 This initiative intends to incorporate Global Fund supported services in Universal Health Care packages, sustainability planning, institutionalization of National Health Accounts (NHA) to generate reliable data on health and disease spending on an annual basis, service delivery unit cost estimation, and advocacy for catalyzing greater government commitment for Global Fund supported national program.

1.27 Discussions at the 11th SIIC Meeting outlined how investments towards this initiative are intended to be catalytic to support countries in: (a) optimally allocating investments to the highest impact interventions at appropriate prices, (b) building capacity to track and report on investments and their linked results, and (c) supporting the engagement to mobilize domestic financing. An important component of this initiative involves proper coordination with relevant partners and stakeholders (e.g., WHO, UNAIDS, Bill & Melinda Gates Foundation, PEPFAR, World Bank, OECD, CHAI, UNICEF, GAVI).

1.28 Based on the discussions at the 10th and 11th SIIC Meetings, the committee recommends the Board to approve USD 9 million for this initiative.

Summary

1.29 The SIIC recommends the Board to allocate a total amount of US\$ 100 million to the aforementioned special initiatives, as set forth below:

- i. US\$ 30 million for Humanitarian Emergency Fund;
- ii. US\$ 17 million for Country Data Systems;
- iii. US\$ 29 million for Technical Assistance for Strong Concept Notes and PR Grant-making Capacity Building;
- iv. US\$ 15 million for Technical Assistance on Community, Rights and Gender; and
- v. US\$ 9 million for Enhancing Value for Money and Financial Sustainability of Global Fund Supported Programs.

1.30 As mentioned above, it is important to note that, wherever possible, the Secretariat is to make every effort to reimburse special initiatives funds from country grant allocations.

PART 2: DECISION

Special Initiatives

2.1 Based on the analysis and discussion provided above, the following decision point is proposed to the Board for approval:

Decision Point: GF/B31/DP06

- 1. The Board notes that a portion of sources of funds may be excluded from the allocation to Country Bands for future utilization towards initiatives that are not adequately accommodated through the allocation of resources to Country Bands (Annex 1 to GF/B27/DP7) (the “Special Initiatives”).**
- 2. Based on the recommendation of the Strategy, Investment and Impact Committee (the “SIIC”), the Board decides that up to USD 100 million will be available over the 2014 – 2016 allocation period for the following Special Initiatives, as described in GF/B31/08A – Revision 1 and in the amounts listed below:**
 - a. USD 30 million for the Humanitarian Emergency Fund;**
 - b. USD 17 million for Country Data Systems;**
 - c. USD 29 million for Technical Assistance for Strong Concept Notes and PR Grant-making Capacity Building;**
 - d. USD 15 million for Technical Assistance on Community, Rights and Gender; and**
 - e. USD 9 million for Enhancing Value for Money and Financial Sustainability of Global Fund Supported Programs.**
- 3. The funds available for Special Initiatives may be reallocated by the Secretariat among the Special Initiatives set forth under paragraph 2.a above, upon the SIIC’s approval, in consultation with the Finance and Operational Performance Committee (the “FOPC”), of an updated budget and plan to implement such initiatives.**
- 4. The Secretariat shall recover investments towards Special Initiatives from funding provided through grant programs whenever possible.**
- 5. With respect to the use of funds available for the Special Initiatives, the Board requests the Secretariat to report to the FOPC on the financial implications and to the SIIC on the operational and strategic implications.**