



# The Global Fund

To Fight AIDS, Tuberculosis and Malaria

## Resource Book for Applicants The Global Fund's new funding model

### Summary

The purpose of this Resource Book is to provide an overview of how the new funding model will work for Country Coordinating Mechanisms (CCMs), other applicants and key stakeholders. This guide offers practical information on the different stages of the funding cycle, along with guidance on best practices learned from early applicants. Supporting resources and tools available related to each stage are also indicated.

NOTE: This guide is a working document that will be regularly updated – the next update will be released around the time the allocation amounts are announced in March, 2014.

*Date issued: 10 February 2014*

## Table of Contents

<b>How to Read this Document</b> .....	2
What's New .....	2
<b>Introduction to the New Funding Model</b> .....	4
<b>Key Stages in the New Funding Model</b> .....	5
Ongoing Country Dialogue.....	5
National Strategic Plan/Investment Case.....	8
Concept Note: Preparation .....	13
Concept Note: Development .....	21
Concept Note: Submission .....	24
Technical Review Panel.....	27
Grant Approvals Committee: 1st Review .....	30
Grant-Making.....	33
Grant Approvals Committee: 2nd Review .....	38
Board Approval/Grant Signing .....	40
<b>Allocated Funding</b> .....	41
<b>Competitive Funding</b> .....	45
<b>Country Coordinating Mechanism (CCM) Eligibility</b> .....	46
<b>Counterpart Financing and Willingness-To-Pay</b> .....	50
<b>Non-Standard Applications</b> .....	55
TB & HIV Joint Applications .....	55
Health Systems Strengthening Applications .....	56
Regional Applications .....	58
Non-CCM Applications .....	59
Appendix 1: Glossary and Acronym List.....	60
Appendix 2: Accessing Technical Support for the Development of National Strategic Plans.....	68

## How to Read this Document

This resource book is meant to be a comprehensive guide to the new funding mode that can be read one section at a time, as needed. Readers who need a short introduction to the new funding model should download the [new funding model brochure](#).

The resource book will be updated periodically in order to share best practices with all applicants. The next release will be timed to the announcement of the allocation amounts to countries in March 2014.

The most current version of this resource book can be found at:

<http://www.theglobalfund.org/en/fundingmodel/support/>

Please note: Where CCM (Country Coordinating Mechanism) is mentioned this generally relates to all applicants, including RCMs (Regional Coordinating Mechanisms), ROs (Regional Organizations), non-CCMs and sub-CCMs.

To help you get the most use out of this guide we have used the icons below to navigate each section.



Indicates a **new tool or key change**



**Roles & Responsibilities:** An overview of who does what during each stage



**Practical Advice:** Helpful guidance for applicants



**Key Resources:** Links to additional resources on related topics

## What's New

In addition, we have compiled a list of the important changes the Global Fund has made to help readers focus their review.

Change	Short description
<b>Allocation amount</b> Refer to page 41.	A fundamental change to the application process is the improved predictability of funding. The allocation amount is the funding designated by the Global Fund to support an applicant's eligible disease programs for an allocation period. This allocation will be communicated in March 2014.
<b>Incentive funding</b> Refer to page 45.	This is a separate reserve of funding designed to reward high impact, well-performing programs and encourage ambitious requests, and is made available, on a competitive basis, to select applicants in Country Bands 1, 2 and 3.
<b>Unfunded Quality Demand</b> Refer to page 45.	This is funding requested through a concept note which is considered technically sound by the TRP but is above the funding amount available (i.e. allocated funding and any additional incentive funding awarded). All eligible disease components may apply by submitting their full expression of demand. This may be funded by the Global Fund or other donors when new resources become available.
<b>Inclusive country dialogue</b> Refer to page 5.	The new funding model emphasizes a strong multi-stakeholder and multi-sectorial dialogue that is not CCM specific, during all stages of the grant cycle. This inclusive dialogue ensures the identification of the priorities best suited to achieve high impact against the diseases and informs the design of technically appropriate interventions, and effective risk mitigation.

<p><b>Program split</b></p> <p>Refer to page 15.</p>	<p>Countries that are eligible for two or more diseases have the flexibility to split their allocated funding among the disease components and cross-cutting HSS in a manner that best meets the country's needs.</p>
<p><b>Willingness-to-Pay commitment</b></p> <p>Refer to page 50.</p>	<p>To encourage countries to increase national funding beyond the minimum counterpart financing requirements, 15 percent of the allocation amount can be accessed when a country commits additional, and increasing, co-investments in disease programs in accordance with their ability to pay; and/or realization of existing government commitments.</p>
<p><b>Modular Template</b></p> <p>Refer to page 22.</p>	<p>The new approach to the way applicants request funding includes the modular template, allowing Global Fund grants to be organized according to disease specific modules which are composed of interventions, and links targets and costs.</p>
<p><b>Mapping implementation arrangements</b></p> <p>Refer to page 16.</p>	<p>The mapping of the funds and services flow through the proposed implementation arrangements is now required to support more efficient grant-making. It is an important part of the assessment work that begins during concept note development and continues through grant-making.</p>
<p><b>Risk assessment and risk mitigation</b></p> <p>Refer to section on concept note preparation, page 16 and grant-making, page 33.</p>	<p>Identifying and addressing key risks to effective program implementation and current bottlenecks are an integral part of country dialogue, grant making and ongoing grant management. Risk mitigation measures will need to be put in place related to programmatic, financial, health product quality &amp; service delivery and governance &amp; oversight risks. It includes the selection of qualified Principal Recipients and implementation arrangements, able to ensure high quality delivery of the program, adequate fiduciary controls and programmatic oversight.</p>
<p><b>Grant Management Platform</b></p> <p>Refer to page 17.</p>	<p>A newly introduced automated system is aimed at providing an online grant management platform for CCMs, Principal Recipients, LFAs and the Global Fund Secretariat to create, approve, and manage grants under the new funding model. This is also the platform through which the CCM submits its concept note.</p>
<p><b>CCM Minimum Standards</b></p> <p>Refer to page 46.</p>	<p>There are now CCM minimum standards that will be required for grant signing as of January 2015. The minimum standards, measure the core functions of a CCM, and ensure that a CCM can perform core tasks before signing a new grant (or grant renewal). The CCM Minimum Standards are related to Eligibility Requirements 3 to 6.</p>
<p><b>TB and HIV Joint Applications</b></p> <p>Refer to page 56.</p>	<p>The Global Fund recently decided that a single tuberculosis (TB) and HIV concept note that presents an integrated disease program will be required for those countries that have a high burden of co-infection with TB and HIV, and are allocated funding for TB and HIV for 2014-16.</p>

## Introduction to the New Funding Model

### Investing for Impact

We all share a vision of a world free of the burden of AIDS, tuberculosis and malaria. We will only be able to realize this joint vision by investing more strategically, to achieve greater impact. The Global Fund strategy is to support programs that can reach the most people, and provide the most efficient and effective response to the challenges countries are facing in reducing their HIV, tuberculosis and malaria burdens. To identify the most effective response, and make a greater impact, it is crucial that we understand the disease epidemiology in each country. This means that we must track where it is advancing and retreating, and identify which interventions are having the greatest impact. This data-based understanding will inform our investment choices, and guide our focus to the right areas.

### Global Fund New Funding Model

The Global Fund funding model has been redesigned to bring the Global Fund Strategy of ‘Investing for Impact’ to life. The new funding model will improve the way the Global Fund assesses, approves, disburses, and monitors grants. The new funding model takes into account the challenges and lessons of managing Global Fund grants in previous years. Increased engagement between applicants and the Global Fund is required to successfully implement the new funding model.

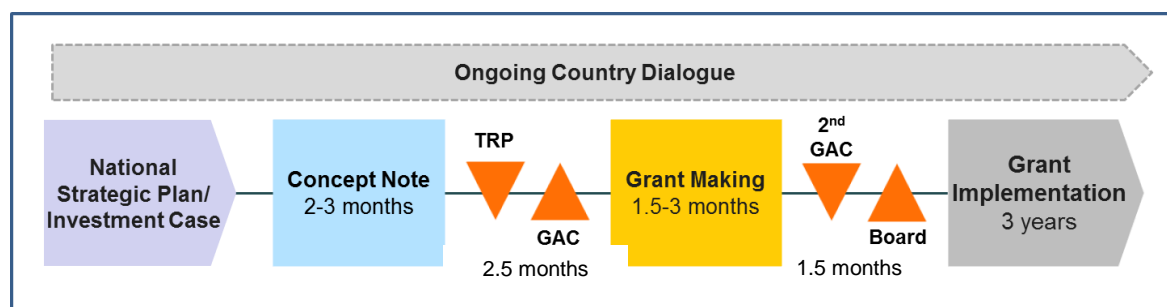
### Features

The new funding model is designed to make a **bigger impact** against the three diseases. It will enable **predictable funding**, **encourage ambitious vision**, work on more **flexible timelines** and with a more **streamlined process** that ensures a higher success rate of applications.

- By focusing more resources on countries that have the highest disease burden and lowest ability to finance their response to the three diseases, we will ensure bigger impact.
- Each eligible country will have an allocated amount of predictable funding for the allocation period.
- We encourage ambitious vision to tackle the three diseases by having a pool of competitive ‘incentive’ funding available, to allocate more funds to applicants that make a powerful case for achievable interventions based on their National Strategic Plan or investment case. As new funds become available, the Global Fund will be able to award additional resources for ambitious unfunded requests.
- Instead of a rounds-based system with a set application date, the Global Fund will now allow countries to apply on a flexible schedule that meets their own national timelines, within the allocation period.
- Finally, the process of moving from a funding application to signed grants has been streamlined. This will cut a lengthy process that used to take 2 years down to an average of 10-12 months. Not only will the process be shorter, but it should also be smoother as Global Fund teams will actively support countries as they prepare their funding request. This will improve the quality of the submission and ensure that all country applications are ultimately successfully signed into high impact grants.

## Key Stages in New Funding Model

In the new funding model there are different stages, as visualized below:



We will look at each stage in a separate section, clarifying what each stage is about, why it is important, identify roles and responsibilities, offer practical advice, and suggest helpful resources.

## Ongoing Country Dialogue

### What is country dialogue?

Country dialogue refers to the ongoing process that occurs at the country level among the government – including the National Ministries of Health, Finance and Planning, Education, Youth, Women and Child, Labour and Employment etc.; the private sector; the public sector; networks of key populations including women’s organizations; people who are most vulnerable based on the epidemiological context, including people living with the diseases; implementers; civil society; faith-based organizations; academia; and bilateral, multilateral and technical partners. The purpose of country dialogue is to develop health strategies to fight the three diseases and strengthen health and community systems. It is a nationally-owned and led process that is not Global Fund-specific, and may be more or less formal according to the country. The Global Fund serves as an active participant in this process.

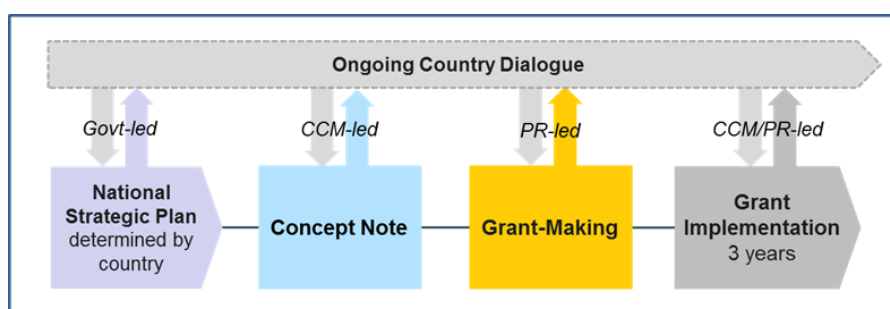
Over time, ongoing country dialogue results in a shared vision amongst partners for how best to improve health and fight the three diseases. The following topics are regularly discussed and lead to changes in the country approach.

- **Documented evidence of impact:** Conducting program evaluations and other research to determine outcomes and impact of programs including capacity assessments of health and community systems to deliver services;
- **Disease and health sector landscape:** Forging a common understanding of a country's disease and health sector landscape including the latest epidemiological studies and identifying data gaps; areas for coordination and partnership; and any weaknesses in health or community systems that could affect disease programs;
- **Human Rights and Inclusion:** Ensuring meaningful participation of people living with HIV, TB or malaria and key populations in the design, implementation, and monitoring of Global Fund-supported programs, including an assessment of any legal or policy barriers to service access, and designing programs to address those barriers; and
- **National, Donor & Global Fund investments:** Mapping the funding landscape and ensuring alignment and complementarity between donor and national funding in the overall budget for the disease response.

The Global Fund new funding model emphasizes the continuation of a strong multi-stakeholder and multi-sectorial dialogue during concept note development to grant-making and grant implementation. This dialogue ensures that the development of a Global Fund grant and its implementation is embedded within the larger context of the country's health sector strategy and responds to the needs of those affected by the three diseases. The process should enable CCMs to identify program components for which funding can be requested from the Global Fund based on robust national strategies identified through open, inclusive and participatory processes. It should also allow multi-stakeholder involvement during the grant-making stage and inclusive discussions surrounding oversight of Global Fund grant implementation.

### How does country dialogue evolve over the stages in the new funding model?

In the new funding model, different actors take the lead in coordinating input from other partners depending on the stage. The figure below summarizes the typical shifts in roles across the stages.



- National country dialogue is led by the government. An inclusive country dialogue is crucial to establish strong national health sector strategies that will positively impact key populations.
- Pre-Concept Note/Concept Note country dialogue is led by the CCM, which often is chaired by the government. It is an eligibility requirement for concept note submission to demonstrate that the funding application has been developed through a transparent and inclusive process that engages a broad range of stakeholders, including key populations.
- Grant-making country dialogue is led by the Principal Recipient, with CCM providing oversight. The continued involvement of key actors during multiple stages in the funding cycle will ensure that as implementation details are defined, activities are focused on agreed target groups and effective interventions are designed to reach the objectives of the national strategy.
- Grant implementation country dialogue is led jointly by the CCM and Principal Recipient. Ongoing country dialogue during grant implementation will ensure that the Principal Recipient and key implementers are supported to successfully implement the grant and that grant implementation remains aligned to national health sector strategies and the needs of key populations.



### Roles & Responsibilities: Ongoing Country Dialogue

Country dialogue will vary across countries based on national planning processes for the health sector and for each of the three diseases. Below is a general description of the roles and responsibilities different actors may have in the ongoing country dialogue.

#### Ministry of Health/Planning/Finance/ National Disease Programs

- Plays a key role in organizing ongoing country dialogue.
- Ensures coordination of various planning processes across donors with respect to disease responses.
- Encourages the coordinated use of all sources of funding in the country to avoid duplication and maximize impact.

#### Country Coordinating Mechanism

- Provides information on Global Fund programs to inform national planning and prioritization.
- Links the Global Fund to national processes where appropriate.
- Works to ensure that Global Fund investments are aligned with national priorities and national cycles.

### Global Fund Secretariat (Country Teams)

- Takes an active role in country dialogue, through increased engagement with implementing countries.
- Maintains links to development partners in the country and region and with technical partners supporting the health sector. Works with partners to ensure support at key points in the process.
- Participates in disease-specific program reviews or mid-term reviews, and participates in donor coordination meetings. The level of engagement will likely vary from one country to another, due to the number of countries a Country Team supports.

### Technical Partners In-Country

- Discusses disease / health sector landscape with in-country stakeholders, including mapping of donor commitments and ensuring alignment.
- Supports development of an accessible knowledge base of country studies, available data, etc.
- Reviews program performance and impact data & current trends of epidemiological context.
- Provides technical support to country.

### Technical Partners Global Level

- Provides and helps coordinate technical support and guidance to countries and regions throughout program design, review and implementation.

### Implementers (Grantees, Principal Recipients or Sub Recipients)

- Provides guidance on successful approaches to conduct key activities.

### Civil Society and Key Populations

- Identifies the most impactful interventions and any barriers to access for key populations, and supports and monitors program implementation. (Strong engagement of civil society organizations, in particular key populations and community-based organizations is essential to country dialogue.)
- Advocates for changes to policies that create barriers to service delivery or successful program implementation.
- Encourages increased national investment into the health sector and for the three diseases.

### Other Funders

- Participates in country dialogue and co-ordination.
- Assists in the development of a clear funding overview by country.
- Coordinates activities with other funders and government-funded initiatives to avoid duplication and maximize impact.



#### **Useful reference documents:**

[Coordinating with Communities](#)

[Global Fund Information Note: Country Dialogue – scroll to Annex 2](#)



## National Strategic Plan/Investment Case

### What is a National Strategic Plan (NSP)?

A key principle of the new funding model is that the Global Fund will base its support on disease specific national strategic plans (NSPs) that are robust, prioritized and costed (a definition of a “robust” NSPs is provided below). NSPs are country-owned, and provide the overall strategic direction for a country over a period of time (usually five years). NSPs are further supported by implementation plans (annual, bi-annual or 3 year plans), and other operational documents, including a costed (and ideally prioritized) budget. Disease NSPs should be aligned with the overarching national health strategy in a country, and ideally developed in a coordinated manner across the three diseases. For cross-cutting HSS applications, the main point of reference should be the national health strategy, and any relevant sub-sector strategies – for example a human resources plan – plus the NSPs that are relevant to the application.

A robust NSP should:

- Be derived from clear and relevant priorities and strategies, and based on a sound situation analysis.
- Have gone through a well-defined and inclusive development and endorsement process. Groups to involve include key populations and vulnerable populations who are often excluded: women and children, men-who-have-sex-with-men, sex workers, injecting drug users and the advocates for these groups.
- Include an expenditure framework that contains a comprehensive budget/costing of the program areas covered.
- Present an overview of the implementation and management arrangements for each program.
- Include appropriate review and evaluation mechanisms and describe how the results from these mechanisms will be used to improve each program.
- Be aligned with international normative guidance.

For specific guidance on how to develop a robust NSP, please refer to the International Health Partnership’s “Joint Assessment of National Strategies” (JANS) tool guidelines and to technical partner guidelines on NSP development (*refer to resources at the end of this section*).

In the absence of a robust NSP, applicants should consider conducting a review process at the country level to strengthen their NSP. In cases where a country does not have a strong HIV NSP, an HIV investment case can be developed with the assistance of UNAIDS to support a Global Fund funding application. Please refer to the Global Fund Information Note: [Strategic Investments for HIV Programs](#) for more information. Countries can ask partners to help them develop a full expression of prioritized demand for tuberculosis, or a Business Plan under the auspices of Roll Back Malaria (RBM) for malaria.

**Countries are encouraged to move towards robust and costed national disease strategies aligned with national health sector strategies by the next Global Fund replenishment period (2017 – 2019).** In the near term, countries with robust NSPs are better positioned to compete for additional funding beyond the Global Fund allocation amount, and are more likely to be prioritized to receive new funds that become available through the Global Fund on an ongoing basis. They will also be able to develop higher quality concept notes more quickly. Finally, they may be considered for simplified grant management procedures, or different types of grant implementation, such as those based on result-based funding. Applicant countries are therefore encouraged to develop and strengthen their NSPs. Technical support and assistance is available from various donor agencies to do this. Additionally, up to US\$150,000 per disease component may be reprogrammed from existing Global Fund grants to support NSP development.

### What is an HIV Investment Case, and how does it complement an NSP?

An investment case is defined as a country-developed proposal for resource allocation including an analysis of optimal allocation of existing resources, and a prioritized scale-up plan to reach national disease control goals for a specific program/set of interventions. It is based on a thorough analysis of the epidemiology and state of the current response; identifies vulnerabilities to infection, obstacles to uptake of services and funding gaps related to opportunities to bring programs to optimal scale; and highlights potential efficiency and equity gains.

An investment case can provide the rationale for an optimized national response to AIDS, based on a country's NSP.

The Global Fund is working with UNAIDS to develop guidance on how the NSP and investment case work together.

### **Why is a National Strategic Plan important?**

NSPs strengthen the rationale provided in the concept note for why the support requested is a strategic investment. CCMs should therefore ensure that the funding request reflects national priorities as outlined in the NSP, and prioritizes the highest impact interventions in need of additional support.

The cost of the NSP is the total amount of funding needed to finance a technically appropriate response to the disease(s) - i.e. a full expression of demand. If a robust costing exercise has been done, this information can provide the basis for the costing of the agreed interventions. High priority elements that are currently underfunded should be prioritized for Global Fund support.

The TRP and GAC will use reviews of NSPs by technical partners (such as program reviews, mid-term evaluations, monitoring missions, JANS assessments, etc.), in addition to the NSP itself, to help them determine the robustness of a NSP. These assessments will help them judge the robustness of the NSP, the technical soundness, feasibility and applicability of a funding application, and help them make a determination on whether an application can thus compete for incentive funding or have some interventions placed on the Register of Unfunded Quality Demand.

To assist with this determination, applicants are asked in the concept note to comment on the degree of alignment of the concept note with the NSP, as well as the quality and robustness of the NSP (using information from any available reviews, e.g. RBM malaria program reviews, etc.). They need to attach both the NSP and any review documents to the application. If no review is available, applicants must attach the NSP, and provide more detail on the robustness of the NSP, with reference to the JANS attributes. Applicants should also consider conducting a review to help establish their full expression of prioritized demand, as this will help support their concept note development.



### **Roles & Responsibilities: National Strategic Plan/Investment Case**

#### National government

- Leads on the development or revision of the National Strategic Plan/Investment Case, determines what National Strategic Plan/Investment Case reviews are needed to support these activities and commission these reviews.
- Identifies the key populations, technical partners, representatives of the public sector and non-public sector (i.e., civil society) which should be engaged in the development or review of the national strategic plan.
- Determines the appropriate method of engagement and consultation for each stakeholder group and which parts of the process they can make the most contribution.
- Establishes how data can be gathered and validated to determine the national and sub-national disease situation.
- Engages with affected populations, experienced service providers and other implementers to update information on existing programs and progress.

#### Country Coordinating Mechanism

- Contributes to the National Strategic Plan/Investment Case development or revision as required, including any National Strategic Plan reviews that are commissioned.
- Assists the government to identify the key populations, technical partners, representatives of the public sector and non-public sector (i.e., civil society) that should be engaged in the development or review of the national strategic plan.
- Assists the government to engage with affected populations, experienced service providers and other implementers to update information on existing programs and progress.
- Provides relevant information as required by the government, including the results of Global Fund programs.

### Global Fund Secretariat (Country Teams and technical specialists)

- Supports the process by connecting countries to technical partners, participating in consultations at the country level, and providing feedback on the performance of Global Fund grants. The Global Fund Secretariat should not be leading the development or review of National Strategic Plans/Investment Cases.
- Encourages the Country Coordinating Mechanism in the identification and engagement with key populations.

### Technical Partners

- Provides updated guidance on strategic investment in identifying possible responses for the disease situation.
- Makes available tools and technical guidance to support strategic investment decisions and the formulation or updating of holistic health responses.
- Supports required data collection and analysis at the national and sub-national level.
- Participates as requested by the country in program reviews or other assessments of the robustness of National Strategic Plans, using the Joint Assessment of National Health Strategies or other agreed upon tools.
- Assists to identify and prioritize strategic investments for robust National Strategic Plans/Investment Cases and documents national prioritization process.

### Local Fund Agent

- In exceptional cases: attends specific meetings at the request of Global Fund country teams as observers. There should be clear Terms of Reference, to ensure the Local Fund Agent's independence is safeguarded – for example, to confirm the inclusion of stakeholders.

### Implementers (Grantees, Principal Recipients and sub-recipients)

- Ensures that the national government, Country Coordinating Mechanism, and other partners are aware of proven interventions and effective implementation mechanisms that achieve impact, based on country or relevant regional experience.
- Shares tools and practices especially related to monitoring & evaluation, procurement and supply-chain management and collaboration between programs.
- Ensures that the Country Coordinating Mechanism is aware of the timetable for the end of each current grant implementation period and the implications for submitting a funding application to the Global Fund.

### Civil Society and Key Populations

- Engages with Government and Country Coordinating Mechanism representatives to ensure that relevant information is available regarding key populations and the sub-national situation.
- Engages through the ongoing country dialogue regarding proven implementation methods and effective interventions.
- Participates in national processes when feasible.



### **Practical Advice: NSP/Investment Case**

**Use technical support to strengthen NSPs that are not robust.** Governments and their partners are encouraged to use all available technical-support mechanisms proactively for developing or updating NSPs to further maximize the impact of investments. More information is available in Appendix 2, “*Accessing technical support for the development of NSPs*”.

**Consider conducting a JANS review.** As part of these processes, NSPs should be reviewed by the country with the assistance of relevant technical partners according to country timeframes and using standard tools and processes (e.g., Program reviews; HIV NSP 3G; Toolkit to Develop National Strategic Plan for TB control; RBM tools and processes).

The JANS criteria are strongly recommended as a framework for assessment, and the Global Fund will work with technical partners to ensure that these criteria are incorporated into the tools to be used. One aim of this

will be to create a consistent approach between the various disease communities, as well as with the health systems community.

Additionally, NSPs can also be jointly assessed through a credible, independent, multi-stakeholder process that uses internationally agreed frameworks (i.e. the JANS tool). A JANS approach is a process where country stakeholders and development partners carry out an independent assessment of a NSP against an internationally agreed set of criteria. The purpose is to indicate the soundness and potential of a NSP and its operational plan as the basis for technical and financial support.

The JANS tool and principles can be applied either to a national health sector strategy, or to a national disease strategy. Assessing a national strategy does not mean just reviewing the strategy document itself, but also the various documents and procedures that underpin the strategy. These include, for example, technical policy documents, sub-sector plans, strategies for strengthening human resources or health financing, budget frameworks, financial and procurement regulations, and monitoring and evaluation (M&E) plans.

The potential benefits of following a JANS approach are: improved quality and consistency of national strategies; improved strategy development and implementation processes, including stakeholder involvement, and renewed focus on national strategies as a basis for alignment and harmonization. From a Global Fund perspective, it may also lead to increased confidence in the priorities reflected in a funding request and their potential impact.

Note on limitation: JANS is **not** the most effective tool to assess aspects related to human rights, gender or community systems. The Global Fund expects countries to also address these issues in its assessments, and countries can use alternate tools, for instance the UNAIDS gender assessment tool.

**The timing of a Global Fund application (called concept note) does not have to match the timing of an NSP.** While a concept note should be based on the national strategy, the Global Fund does not require that the timing of the concept note match NSP timing. Various scenarios are envisioned:

- If the NSP is complete and has been recently reviewed, the applicant should use existing documents when writing its concept note, and no further reviews are needed.
- If the NSP is still under development, or is being revised (for example, it is undergoing a mid-term review), applicants should consider delaying the grant start date until the NSP is developed. Preparation of the concept note can commence once a draft NSP is in place. In some cases, grant approval may be subject to finalization of the NSP development process.
- In situations where the NSP runs out one or two years into the grant, applicants are asked to extrapolate in the concept note beyond the end of the NSP and to explain the rationale for the requested funding. If the new NSP incorporates substantive changes, grants can be reprogrammed to reflect updated strategies.
- In exceptional cases (for example, if there is no NSP), countries may have to submit a project-type concept note, and include clear plans to strengthen their NSP for the next allocation period.

Overall, decisions about submission dates for concept notes should take into account the status of the current NSP, and if needed, the amount of time required to conduct NSP review processes and/or the development of the relevant investment cases.

**Useful reference documents:**

[JANS Tool and Guidelines](#)

[Relevant Global Fund Information Notes](#)

[The Global Fund Eligibility and Counterpart Financing Policy](#)

Strategic Investment Guidance from Technical Partners:

[UNDP HIV and the Law](#)

[UNDP National Dialogues on HIV and the Law](#)

[WHO HIV Guidelines](#)

[WHO TB Guidelines](#)

[WHO Stop TB Strategy](#)

## Concept Note: Preparation

### What is Concept Note Preparation?

It is important that countries prepare well and start as soon as possible for the development of their concept notes, even before the funding allocations are announced. Allocation amounts will be communicated through the fund portfolio managers to the CCM shortly after the Global Fund Board approves the level of funds available in March 2014.

Thorough and well documented concept note preparation will ensure that applicants have thought through the information they need and the stakeholders that should be involved. The result will be a better, more impactful plan and a stronger funding request.

### Guidance on CCM tasks that need to be done during the concept note preparation phase

#### 1. Review national strategic plans.

As an initial step, the CCM should review the national strategic plans with technical partners. Examine existing data and information to ensure that interventions in the most recent NSPs are still appropriate and relevant to the country context. Consider using the Joint Assessment of National Strategies (JANS) criteria, and take action to strengthen the NSPs in areas where weaknesses are found. For more information about JANS refer to the *Key Resources* in the NSP section. If needed, plan a program review and use the findings to update the NSP. (See section on *National Strategic Plan / Investment Case*).

#### 2. Plan for inclusive dialogue.

The CCM will need to ensure that relevant stakeholders are involved in discussions around interventions and their relative priority. These discussions must be broadly inclusive, and must include both CCM and non-CCM members, key populations, civil society and people living with and/or affected by the disease. Consider including community organizations including those of people affected by the three diseases, government ministry representatives (including non-health ministries), private sector, technical partners, academia, faith-based organization, other donors, etc. Failure to ensure an inclusive process may make the CCM ineligible to submit concept notes to the TRP.

Establish a process for ensuring inclusive dialogue. Identify the stakeholders that should be involved based, and invite them to a kick off meeting as part of concept note preparation. Identify the right rhythm of on-going involvement with each group. Consider whether any social, logistical or financial barriers could reduce a party's ability to participate.

Note: all applicants should ensure that the concept note preparation process is open and participatory and includes relevant stakeholders, in particular key populations and people living with and/or affected by the diseases, even in cases where the applicant is a Regional Organization or a Non-Country Coordinating Mechanism.

#### 3. Plan when to apply.

It is important to plan sufficiently in advance to ensure funding is available when it is needed. When planning, CCMs should allow adequate time for inclusive dialogue, concept note development, review and approval processes, and grant making.

The overall process will take on average 10-12 months, although some countries will take longer if there are issues to be resolved (e.g. there is no NSP, or the CCM takes a long time to make decisions, or the PR capacity is weak). Below we describe what may make it possible to move more rapidly or require more time.

- **Accelerated timeline (6 to 7 months).** In exceptional cases, applicants may move from concept note creation to grant signing within 6 to 7 months. This is possible for applicants that have up-to-date and costed NSP with agreed priorities, strong CCM and PRs that meet minimum standards and inclusive engagement with relevant stakeholders.

- **Average timeline (10 – 12 months).** For most applicants, 3 or 4 months will be needed for country dialogue to agree on priorities and consult stakeholders before starting the concept note development process.
- **Long timeline (17 + months).** Some countries will face challenging situations where they need to develop a clear national strategy, strengthen PR capacity. In addition, if decision-making within the CCM is slow or the CCM does not meet the CCM eligibility requirements, the process could take longer.

In deciding on when to submit a concept note, CCMs should work backwards from the date when they want implementation to start. Here is a table to help applicants identify when to start preparing, and which concept note submission date to aim for:

Begin by agreeing when you want grant implementation to start. Often it is the date that ensures continuity of services for grants that are ending. The date can be sooner if you are trying to better align with national cycles. Then, working backwards from this date, calculate:		
1.	Time from grant agreement signing to receipt of first disbursement.	On average allow 1 month.
2.	Time required for final GAC review and Board approval.	On average allow 1 month.
3.	Time required for grant making.	This should take between 1.5-3 months. However, if there are complications it could take much longer.
4.	Time between concept note submission and the review of the concept note by the TRP and GAC.	On average allow 2.5 months.  This period can be used to complete tasks begun during the Concept Note preparation, such as implementer identification, detailed description of activities and interventions, risk and capacity assessments and mitigation plans and finalizing the budget.
5.	Time required to prepare the concept note.	This should take 2-3 months.
6.	Optional: Time required to review/ strengthen the NSP (if needed).	Experience suggests that this could take 2-8 months and can be overlapping with concept note development.
7.	Time required to engage in inclusive pre-concept note dialogue.	This could take 2-3 months. It can be combined with the concept note development if there are agreed priorities based on the national strategy.
Add up the number of months for items 1-7 as relevant, and calculate the date by which you need to start preparing. For example, if your current funding lasts until the end of April, 2015 and your NSP has been recently reviewed, you need to start preparing in May, 2014 and target the concept note submission date of 15 October, 2014.		

Soon after receiving the allocation announcement letter, CCMs will be asked to decide when your application should be reviewed by a panel of independent experts called the Technical Review Panel (TRP). Based on the timing of when grant implementation should start, select a date that fits best with your timelines. Country allocations will not be impacted by the submission date. Discuss the timing of your application with your Global Fund Country Team before selecting a TRP review window. The Country Team will ensure the timelines are feasible. (*See the section on Concept Note: Submission for submission dates for TRP review*).

CCMs should be aware that the quality of the funding application contained in the concept note is critical to the review of the funding application by the TRP and the Global Fund's Grant Approval Committee (GAC). Funding requests that demonstrate the greatest potential for high impact may be receive additional funding beyond their allocated amount. Therefore, it is important that CCMs plan their timelines with sufficient time to ensure a quality application.

**Note: Grants must be signed by 31 December 2016 to keep the allocated funding** – therefore the last date for submitting concept notes in this allocation period is 15 April, 2016. Funds that have not been signed into grants by this point will be counted as unallocated funds for the next replenishment period.

To consider: Alignment with national cycles. While it is an advantage to align timings of concept note with national programmatic planning and fiscal cycles, it is not compulsory. Grants may be reprogrammed to align with NSP updates.

To consider: Availability of extensions for existing grants. A standard extension approach to cover situations where there is a risk that funding for programs will be interrupted will be proposed to the Board in March 2014. The proposed approach would allow for up to 12-month costed or un-costed extensions. Funds for costed extensions would be taken from the country's 2014-2016 funding allocation. Additional information will be shared after the March 2014 Board Meeting.

Extensions should not be considered as the first response to timing challenges. Country Teams will discuss options available with applicants.

#### **4. Review CCM governance and request Technical Assistance to conduct the assessment on CCM eligibility.**

It is important to use this period to review CCM governance, and where relevant, request partner support to strengthen CCM performance. CCMs now need to demonstrate compliance with updated Eligibility Requirements and Minimum Standards to be eligible for Global Fund financing. Non-compliance with any of the six eligibility requirements could result in a CCM being ineligible to submit a Concept Note until compliance issues are addressed, or could result in a concept note being ineligible for funding. (*See section on CCM Eligibility*).

#### **5. Begin negotiations on increased governmental commitments.**

Discuss increases to domestic commitments with the government to ensure the CCM can access the 15% of the country allocation. (*See section on Willingness-to-Pay for complete description of what is required*).

#### **6. Agree on how to split funds from the Global Fund across eligible diseases and health systems strengthening activities (program split).**

☆ CCMs will have the flexibility to revise the allocation between eligible disease components and cross-cutting health systems strengthening to better suit the country context. This is called the program split. Countries eligible for a stand-alone HSS grant may propose an allocation from the total funding amount communicated, which can be included in one or more disease concept note or through a stand-alone cross-cutting HSS concept note. Countries may also choose to adopt the funding split communicated by the Secretariat.

During country dialogue, the CCM will use a documented and inclusive process to determine how they wish to split the funding among eligible components and cross-cutting HSS. CCMs are encouraged to decide up front how the process will work, and set up meetings to determine the program split. Agreeing on what information will be needed to make a decision (e.g., gap analysis for each disease and analysis of health system strengthening needs) and asking relevant stakeholders to prepare the information will help the CCM make an informed decision. It may also be helpful to agree on who will be the ultimate decision-maker will be in case a consensus is not reached.

The Global Fund Country Team should be involved in the program split discussions so that they fully understand the basis for the split, but the proposed split is ultimately the CCM's decision. **The CCM must endorse the proposed split before the first concept note submission to the Secretariat** (using agreed CCM procedures as described in the CCM Governance Manual). The proposed program split should account for the total funding amount, including existing funding and new funding. The split proposed should also reflect confirmed willingness-to-pay commitments (or preliminary commitments if confirmation is not yet possible). The proposed program split must be submitted along with:

- i. Documentation of the decision-making process (e.g., CCM minutes); and
- ii. The rationale for the proposed split, including comment on cross-cutting HSS investment and consideration of periodic/on-going investments.



The revised program split will be reviewed by the Secretariat once the communication is received from the CCM. The Secretariat encourages country ownership of this decision, while seeking to ensure that the proposed split is justifiable. The proposed split will be reviewed on a case-by-case basis against Secretariat understanding of the country context and considering the rationale submitted by the CCM. Documentation on the decision-making process will also be reviewed to ensure that an inclusive process was followed in arriving at the proposed split. Proposed changes to the allocated funding split resulting in under- or over-allocated components will also be reviewed. Based on this review, the Secretariat will: (1) accept the proposed split; (2) request the CCM to clarify the justification or supporting documentation; or (3) request the CCM to reconsider the program split.

Any concept notes must reflect the program split agreed by the Secretariat. In the event that a proposed program split is communicated to the Secretariat at the time of concept note submission and the proposed split is not agreed by the Secretariat, the submitted concept note must be revised by the CCM and re-submitted before TRP review.

During the TRP review, the TRP may subsequently make a recommendation on priorities and funding across the portfolio.

## 7. Begin discussion on appropriate implementation arrangements.

Defining the implementation arrangements for the program is essential to ensure the success of the program and service delivery. There is one new tool and one new process to help improve the quality of the implementation arrangements.

### ☆ Implementation Arrangement Mapping

The CCM, together with the nominated Principal Recipient, is responsible for submitting an implementation arrangement map of the grants. This map is mandatory for grant signing, but should be begun as early as the implementation arrangement starts coming into focus (if the same implementers will remain, it can be submitted before or along with the concept note; if not, start with what is known and add on throughout grant-making.) The Secretariat will require it as a prerequisite to its capacity assessment exercise.

An implementation arrangement map is an easy way for all parties to get an accurate understanding of which implementer will be doing what with what portion of grant funds. It is a visual way to see how a grant (or set of grants) works, because it shows how funds flow from into the country to beneficiary-level activity. The map includes:

- (i) all entities receiving grant funds and/or playing a role in program implementation;
- (ii) the reporting and coordination relationships between them;
- (iii) each entity's role in program implementation;
- (iv) the flow of funds and commodities, and data; and
- (v) any arrangements that are not known.

Best practice indicates that the process of mapping has been helpful to implementers, CCMs, and Country Teams. It helps them (i) understand existing processes, (ii) spot areas for improvement such as bottlenecks, redundancies, and weak links, and (iii) make changes based on what is really happening. Maps are best first drawn manually, on paper or white boards, and then transferred onto electronic format at the end.

*For a detailed description on how to approach this task please see the [Concept Note Instructions](#).*

### ☆ Risk and Implementer Capacity Assessment

In the concept note, the CCM will assess the main risks related to the effective implementation of the program and propose risk mitigation measures in the concept note. The risk assessment should cover external risks, programmatic, financial, health product quality & service delivery and governance & oversight risks. Actions to mitigate against risks should be reflected in the program design, selection of interventions and the selection of qualified Principal Recipients. Good implementation arrangements will ensure that the program runs well, key populations have access to quality health services, and there are adequate fiduciary controls and programmatic oversight up to the community level.

The CCM will assess each nominated Principal Recipient against a set of minimum standards and capture this assessment in the concept note. Building on the assessment, the Country Team will assess the program, the Principal Recipient and other key implementers. This assessment will happen once the Principal Recipient and key implementers have been identified and should be completed during grant making.

The assessment enables the Country Team to determine the capacity of the proposed (key) implementers to fulfil the role assigned to them in the program and propose capacity strengthening and mitigating measures for identified capacity gaps and risks. It focuses on four areas: Monitoring and Evaluation; Financial Management and Systems; Procurement and Supply Management; Governance and Program Management

Funding of risk mitigation measures and required technical assistance need to be reflected in the concept note and budget.

#### 8. Get familiar with the online system.

☆ The Global Fund is introducing an online grant management platform for the CCM, Principal Recipient, Local Fund Agent and Global Fund Secretariat to collaborate on the request, review, approval and management of grant funds. The platform will be available in English, French, Spanish and Russian. Guidance and training materials for how to use the platform will be made available as well as focused training sessions during regional meetings or other in-country opportunities. Roll-out of the platform will be in stages.

The CCM will submit the Concept Note through the platform, as well as use the platform to update their membership information, track their eligibility status, provide CCM endorsement of the concept note, monitor their willingness-to-pay commitment, and provide oversight of the grant throughout its lifecycle.

Following CCM submission of the Concept Note, the PR will use the platform for grant-making. Both the CCM and PR will be able to monitor and manage the grant throughout its lifecycle via the platform. This will allow for a single log-in system to support the flow of consistent and accurate grant data.

The Global Fund anticipates the CCM will designate one or two administrators of the platform. The administrator(s) will receive advanced training and be able to provide access rights for other CCM members on an as-needed basis. The CCM will be requested to identify the administrator(s) within one week of receiving the platform log-in instructions.

For those countries where internet connectivity or technical capacity prohibits usage of the online platform, the Global Fund will work with the CCM and Principal Recipient to find an offline option for development and submission of the Concept Note. Resources are available to support the transition to the online platform. The CCM is encouraged to work with their Global Fund Country Team to identify technical or capacity gaps which would prevent usage of the online system.

#### What information is provided by the Secretariat during Concept Note Preparation?

To assist CCMs in their preparations, the Global Fund will share the following two documents.

##### ☆ Portfolio Analysis

The purpose of the portfolio analysis is to provide up-front guidance to the CCM on the Country Team recommendations and guidance the CCM should consider when preparing the concept note. It will discuss past performance of previous and existing Global Fund grants and it may cover topics such as CCM eligibility and key implementation risks. The submission of the portfolio analysis to the CCM is meant to initiate an iterative process and should be used as a mechanism to begin elements of country dialogue. It should be seen as helpful suggestions from the Country Team (and Partners where relevant), not a methodologically rigorous assessment where outcomes and recommendations must be complied with fully by the CCM. How the CCM addresses the points raised in the portfolio analysis should be discussed with the Global Fund during the preparation of the concept note.

##### ☆ Allocation Announcement

Countries will be informed of their total funding allocation in the allocation letter they will receive in March 2014. Fifteen percent of the total funding amount is contingent on willingness-to-pay commitments.

In the allocation letter, the Global Fund will share key information that CCMs may wish to consider in determining the country-level program split.

- **Allocation amount:** The total funding envelope for the country. A breakdown of allocated funding by disease component will also be given for information only. The allocation methodology does not provide a separate allocation for cross-cutting health system strengthening (HSS).
- **Existing funding commitments:** Estimate of funds available to countries as of January 1, 2014. Countries may choose to re-allocate existing funding.
- **Over- and under-allocated components.** Disease components that have been allocated funding at levels above or below their notional shares.
- **Willingness-to-pay:** The amount of allocated funding contingent on willingness-to-pay domestic commitments.
- Confirmation whether a **TB-HIV joint concept note** is required.
- **Cross-cutting health system strengthening (HSS) investment guidance:** The Global Fund seeks to encourage differentiated cross-cutting HSS investment by Band as follows:
  - Band 1 countries: HSS investment strong encouraged
  - Band 2 countries: HSS investment encouraged
  - Band 3 countries: HSS investment encouraged
  - Band 4 countries: HSS investment considered on an exceptional basis

Historically, approximate allocation of health systems strengthening funding by bands in the Global Fund's portfolio has been as follows: 11 percent for Band 1, 8 percent for Bands 2 and 3, and 5 percent for Band 4. However, each country should decide how to allocate resources for health systems strengthening based on an assessment of their country's needs.



### **Roles & Responsibilities: Concept Note Preparation**

#### Ministry of Health/Planning/Finance/ National Disease Programs

- Supports the Country Coordinating Mechanism to determine the ideal submission timing for concept notes and grant implementation to correspond with national strategy, and national planning cycles.
- Defines and follows up on commitments to national funding levels in order to access the 15% of the Global Fund allocation reserved for countries that increase their domestic contribution to their health sector. *Please refer to the Counterpart Financing/Willingness-to-Pay section for a detailed explanation.*

#### Country Coordinating Mechanism

- Understands the national disease strategies in order to base the request for Global Fund funding on national strategic priorities.
- Ensures that representatives from key stakeholders in the country are consulted, especially people who live with, or are personally affected by the diseases, and civil society organizations and faith-based organizations.
- Convenes inclusive dialogue among the three disease programs as well as Health and Community Systems stakeholders in relation to the Global Fund funding application.
- Agrees the ideal timeline for concept note development and submission based on funding needs, national strategies, in-country planning cycles and Global Fund review windows as determined for the next three years.
- Makes decisions regarding the proposed program split for all eligible components and facilitates discussions around the prioritization of the funding request to the Global Fund.
- Requests technical assistance where gaps in information or data exist, or there is insufficient capacity in-country to develop a strategically focused concept note.
- Coordinates the development of the concept note, reflecting the epidemics, funding from all sources, national priorities and plans of the country and considers the overall country allocation.
- Ensures an open and transparent process regarding the selection of Principal Recipients/Implementers.
- Defines the implementation arrangements for the program including nominated Principal Recipients and other key implementers.

- Conducts CCM Eligibility and Performance Assessments with the support of a Technical Assistance Provider and takes action to correct any problems identified

#### Global Fund Secretariat (Country Teams and Technical Specialists)

- Explains the Global Fund application process and roles of the various stakeholders and provide access to the latest guidance.
- Shares a Portfolio Analysis with the CCM and discusses how to address identified issues during concept note development.
- Communicates availability of funding.
- Agrees with the CCM on key milestones in the preparation, application, review and approval cycle to support the CCM in developing an access to funding timetable.
- Reviews program split between diseases and cross-cutting health systems strengthening efforts.
- Engages partners in reviewing available analyses of impact data to facilitate their work to guide concept note development, including participation in program reviews or mid-term reviews.
- Identifies support needs of the CCM and those that will be involved in country dialogue and facilitates access to technical assistance.
- Encourages an inclusive country dialogue process to ensure appropriate consideration of people affected by the diseases. Works with technical partners to support the CCM in the development of an inclusive engagement plan, helping identify when appropriate safe spaces for secure consultations are necessary.
- Supports the negotiation of willingness to pay contributions.
- Provides guidance and training to use the on-line Grant Management System and to prepare concept notes.

#### Technical Partners

- Assists applicants to ensure that the latest technical guidance and data is available to concept note development.
- Ensures domestic or regional experts are included as needed, for instance to support key populations with identifying human rights barriers to access or civil society strengthening needs.

#### Local Fund Agent

- Starts the assessment of the capacity of key known implementers (Principal Recipient or key Sub Recipient), country systems and Procurement Supply Management arrangements as soon as the Principal Recipient is nominated and the implementation map is completed by the Country Coordinating Mechanism, as required by the Country Team. Based on the portfolio analysis and the nature of the nominated Principal Recipient (i.e. new or existing Principal Recipient), the scope of the Local Fund Agent's assessment is tailored by the Country Team to known risks and the specific requirements of the grant, including the results of the implementation map.

#### Implementers

- Suggest implementation arrangements, identify risk in implementation arrangements.
- Strengthen capacity to deliver on Global Fund programs.

#### Civil Society and Key Populations

- Actively engage in the concept note preparation discussions. Provide on-going and meaningful input into development of strategy and funding requests through caucuses.
- Check the availability and inclusion of disease burden data related to key populations and consideration of experienced implementers in program design discussions.
- Help identify and monitor legal or policy barriers to services as well as barriers to service uptake related to the quality of services and/or program design.
- Help identify key components related to community based service delivery and community systems strengthening efforts to be included in the funding request.
- When selected by the CCM, undertake the role of Principal Recipient or Sub-recipient, as a balance to government implementers as part of dual-track financing arrangements.



### Practical Advice: Concept Note Preparation

**Make a work plan.** Consider all the tasks that need to be completed before concept note is submitted to the TRP. Ensure that the timetable is agreed by all parties and resources are available to coordinate and participate in the discussions.

**Use epidemiological data** to identify key populations. Request technical assistance from partners if data is not complete or not broken out at a sub-national level.

**Encourage caucusing of key populations.** Ensure that key populations have a voice and can raise human rights concerns in a safe space without repercussions. Ensure confidentiality of sensitive participants attending these meetings.

**Facilitate meaningful participation** by holding meetings in your local language and outside the capital city.

**Start negotiations early with the Ministry of Finance** around increasing domestic health contributions. This will be important in order to access the 15% of the allocated funding reserved for willingness-to-pay. Consider inviting a Ministry of Finance representative into some country dialogue discussions. Ensure systems are in place to track counterpart financing commitments.

**Get prepared to use the new on-line system.** The Grant Management Platform will be used for concept note submission and on-going grant management. Identify one or two members of the CCM or the CCM Secretariat to act as the administrators of the online platform, ensuring their availability for training and management of the CCM's use of the platform.



#### Useful reference documents:

[Guidance on Prioritizing Interventions: Information Notes](#)

In March each country will receive a tailored Allocation Announcement Letter and Portfolio Analysis prepared by the Global Fund Country Team.

## Concept Note: Development

### What is a Concept Note?

The concept note details the applicant's request for Global Fund resources for HIV, malaria, tuberculosis and/or health systems strengthening. Usually, a concept note presents a funding request over a three year period. During the transition to the new funding model, the Global Fund may accept concept notes for different lengths of time if there is a good reason for it. This funding request is reviewed by the Technical Review Panel and the Grant Approvals Committee before being submitted to the Global Fund Board for approval.

The concept note should articulate an ambitious and technically sound response, drawing from relevant Health Sector Strategic and National Strategic Plans and other appropriate documentation. It should explain what a country needs to do to fully address the problem it faces and how much this would cost (this is called the full expression of demand). The concept note should also explain what part of the response the Global Fund resources should focus on to maximize impact against the disease(s). It is very important that Global Fund resources are invested strategically in order to support programs that can reach the most people, and provide the most effective response to HIV, tuberculosis and malaria.

A concept note can be developed for each eligible disease and if relevant (and eligible) a health system strengthening (HSS) component, or all diseases and HSS can be included in one concept note. For countries with a high rate of HIV-TB co-infection, the Global Fund requires one single concept note which includes both diseases. In total there are 5 different concept note templates which cover the different application contexts: Standard, HIV-TB, Regional, Health System Strengthening, and Non-CCM (*see section on Non-Standard Applications for more detail*).

**Consolidated Requests:** Concept notes will be consolidated requests, including all funds available, both new and already signed amounts. Any existing approved grants that are being implemented as of the selected start date for the grant should be incorporated in the consolidated concept note, in addition to the new funding being requested by the applicant.

**Strategic Investment:** In its 2012-2016 Strategy, the Global Fund commits to work with countries and partners to sustain and accelerate the existing gains through substantial contributions to ambitious international goals. To achieve this, under the new funding model the Global Fund will encourage countries to "Investing for Impact". This means investing strategically in areas with high potential for impact and strong value for money; providing funding in more proactive, more flexible, more predictable and more effective ways. The Global Fund will also become more engaged in supporting grant implementation success.

Applicants under the new funding model will be measured against the impact the program has achieved. Therefore the CCM should ensure the request for funding represents strategic and prioritized choices on where to invest limited resources for maximum impact in the longer term, while also addressing critical enablers such as human rights, gender equity and community systems strengthening. HIV, tuberculosis and malaria are constantly changing, retreating in some places and advancing in others. Prioritizing investments means making hard choices about what programs can make the most of Global Fund support.



### What is the structure of the standard concept note?

The concept note consists of 4 elements, all of which must be completed and submitted together.

**1) Online concept note form.** The concept note form is the same for all diseases and is divided into the following sections:

**Section 1:** The description of the country's epidemiological and health systems context including barriers to access, and the national response to the disease.

**Section 2:** Information on the national funding landscape, additionality and sustainability.

**Section 3:** The summary of the funding request to the Global Fund.

**Section 4:** Implementation arrangements and risk assessment.

Applicants should consult the appropriate concept note templates and guidelines on the Global Fund website for more information.

**2) Online financial gap analysis and counterpart financing table.** Applicants provide financial information relating to the national disease and health sector strategy. This is not required in the health systems strengthening concept note. Applicants must show compliance with the counterpart financing requirements contained in the Global Fund Eligibility and Counterpart Financing Policy (ECFP) and include any additional funds committed.

**3) Online programmatic gap table.** The programmatic gap analysis shows why funding is being requested from the Global Fund. It should contain a summary of the current levels of coverage in the areas where funding is requested (organized into ‘modules’), the gaps, the Global Fund contribution and contributions from other donors required to achieve and sustain universal / national coverage or reach NSP targets.

The term ‘module’ refers to areas of disease control programming such as: vector control and case management for malaria; DOTS-based package and MDR-TB package for tuberculosis; and prevention and ART treatment and care for HIV.

**4) Online modular template.** The aim of the modular template is to describe the relationship between what is planned and what results are expected. It outlines the main goals, objectives, modules, interventions, associated indicators and targets, costs and cost assumptions for each disease and for HSS. The template replaces the performance framework and detailed work plan and budget previously used by the Global Fund.



## **Roles & Responsibilities: Concept Note Development**

### Country Coordinating Mechanism

- Guides the translation of a country’s national strategy plan and programmatic/financial gap analysis into a targeted request for funding from the Global Fund using the relevant concept note template.
- Writes or arranges for a designated drafting team to write the concept note, and ensures engagement of key stakeholders in the process in line with the country dialogue process and Country Coordinating Mechanism eligibility requirements. This process must be documented and submitted with the concept note.
- Arranges for human rights/gender considerations to be taken into account in the prioritization of interventions, especially regarding barriers to access.
- Ensures applications outline the implementation role of community sector and faith-based organizations relating to service delivery and community monitoring/accountability efforts; and ensures that appropriate community systems strengthening measures are included to support these activities.
- Checks that the funding requests highlight financial/health commodity gaps and explains why the additional resources are needed.
- Identifies and selects grant implementers (Principal Recipients).

### Global Fund Secretariat (Country Team and technical specialists)

- Provides guidance on the concept note templates and guidelines.
- Ensures lessons learned on implementation experiences of existing Global Fund (or other funding) form part of the partner discussions and risk issues are addressed, etc.
- Encourages CCM to work with the community sector/civil society to support efforts to define community systems strengthening aspects of applications.
- Facilitates the provision of technical assistance but cannot provide direct technical assistance regarding the writing of the concept note.
- Provides technical support for the online Grant Management Platform through dedicated inboxes, hotlines, training materials and guidance.

### Technical Partners

- Provides technical support to the Country Coordinating Mechanism to develop the concept note. For more information on the areas for technical assistance, please ask your Country Team for more information.

### Local Fund Agent

- Attends in exceptional cases and upon the request of the Country Team specific meetings related to the development of the Concept Note version of the Modular Tool as observers, based on clear Terms of Reference, to safeguard the Local Fund Agent's independence.

### Implementers (Principal Recipients and Sub Recipients)

- Strives to provide un-biased views on the feasibility of programs.
- Provides accurate and recent information on costs that can be used to develop the summary budget.

### Civil Society and Key Populations (as implementers or beneficiaries)

- Ensures that the prioritization of the requests for funding and the recommended interventions take into account the needs and perspectives of key population groups consistent with the socio-epidemiological context of the country.
- Actively engages in country dialogue around concept note development, whether as implementers or beneficiaries.

### Private Sector

- Private sector entities includes: national companies, public (state-owned) as well as private; Foundations; Multinational Corporations/Enterprises; Employers' organizations/ associations/ industry associations; Business associations; Trade unions and local corporations. Private sector entities can play the following roles:
  - Participates in country dialogue and the Country Coordinating Mechanism.
  - Provides inputs in the development of concept note in areas where it has specific expertise.



### **Practical Advice: Concept Note Development**

**Begin working on the concept note through the programmatic gap table.** Many of the early applicants during the transition phase of the new funding model found that it was helpful to begin developing the programmatic gap table as a way to clarify what the gaps are, and therefore to identify the areas of greatest need. When completed together with the financial gap table, the applicant should have a good overview of where funds are allocated and where the remaining gaps are.

**Use the same indicators and modules in the programmatic gap table and the modular template.** The same indicators and modules used in the programmatic gap table should be used in the modular template to describe the targets and associated budget. This will show how the gaps will be filled using the resources from the Global Fund to achieve impact.

**Select your Principal Recipient early.** Select your Principal Recipient as early as possible, and involve the Principal Recipient in the country dialogue and concept note development process to get the most benefit from their practical expertise (while still respecting conflict of interest policies). This will also ensure that the Country Team can perform the capacity assessment early in the process.

**Keep your document concise.** The concept note should be no more than 30 to 40 pages. The clearer and more focused it is, the easier it will be to review and understand. Reference information that is available in other key documents (e.g., the National Strategic Plan, program reviews) rather than repeating it.



#### **Useful reference documents:**

[Concept Note and Guidance](#)



## Concept Note: Submission

### What is Concept Note Submission?

The Global Fund has defined dates for concept note submissions and associated review windows. There are 9 windows for concept note submission over 2014-2016 and CCMs may submit their concept notes for review in any of these TRP review meetings. (See the section on Concept Note: Preparation).

Year	Concept Note Submission Date	Timing of TRP review meeting
2014	15 May	Mid June 2014
	15 June	End of July 2014
	15 August	End of September
	15 October	End of November
2015	15 January	End of February
	15 April	End of May
	15 August	End of September
	15 October	End of November
2016	15 April	End of May

As part of concept note submission, the Global Fund requires evidence of endorsement of the final concept note. If submitted by a CCM, all CCM members (or their designated alternates) must endorse and sign the attachment according to the concept note guidelines. RCM, Regional and non-CCM applicants need to ensure they receive the required endorsements according to the concept note guidelines.

In cases where a CCM member is unwilling to endorse the concept note, that member must promptly inform the Global Fund in writing ([AccessToFunding@theglobalfund.org](mailto:AccessToFunding@theglobalfund.org)) about the reason for not endorsing the concept note, to ensure that the Global Fund understands the member's position.

### What happens once a concept note is submitted?

Once submitted to the Secretariat, the concept note is translated into English (if needed) and reviewed. The translation and review process takes 4 to 6 weeks. Secretariat review is focused on two areas: (i) screening for CCM eligibility requirements and documentation requirements; and (ii) review of the concept note.

Screening of CCM Eligibility and Document Requirements. The CCM eligibility screening focuses on Requirements 1 and 2 (namely, inclusive concept note development and transparent Principal Recipient nomination). The results of this screening process will be reported to the GAC. In cases where a CCM (or regional body) has not met relevant eligibility requirements, there may be escalation to Secretariat senior management to decide on relevant remedial actions. The final decision on applicant eligibility will be made by the GAC. The Secretariat may also send back a concept note if there are major concerns about CCM eligibility requirements 3 through 6. (See section on Country Coordinating Mechanism Eligibility for more detail.)

Review of Concept Note. The Secretariat will review the concept note prior to its submission to the TRP. The aim of the review is to ensure completeness and to address any issues which could otherwise present future grant making or grant implementation bottlenecks. In some cases, a concept note may be sent back to the country for further development.

The Secretariat analysis will be captured in a Program Score Card. It is meant to highlight the critical issues for the Technical Review Panel and Grant Approvals Committee to consider that may not be apparent by reviewing the concept note. The Program Score Card will include information about the context of the request, the inclusiveness of the process, how the epidemiological and funding context were considered, and whether all relevant strategic and contextual issues were addressed (or that may still need to be addressed going forward). The same Program Score Card will be submitted to both the TRP and the GAC.

### ☆ Submitting a Concept Note on the online system

Applicants will benefit from a newly introduced automated Grant Management Platform aimed at providing an online grant management platform for CCMs, Principal Recipients, LFAs and the Global Fund Secretariat to create, approve, and manage grants under the new funding model.

CCMs will complete their concept note (including the narrative and core components) and supporting documentation using this online platform. The Access to Funding team and Fund Portfolio Manager will be able to access the final application directly through the platform.

The grant management platform with detailed guidance and tutorials will be available to CCMs in late March/early April, 2014.

For the purpose of facilitating the proposal development and review process, the concept note narrative and corresponding core components will be accessible from the Grant Management Platform.



### Roles & Responsibilities: Concept Note Submission

#### Country Coordinating Mechanism/Regional Coordinating Mechanism

- Reviews concept note for completion and accuracy.
- Ensures that concept note is endorsed by all members and reflects country dialogue processes.
- Checks that all relevant documentation is provided with the concept note including annexes and supporting documentation related to Country Coordinating Mechanism eligibility requirements 1 and 2.
- Submits through the on-line Grant Management Platform.

#### Other applicants (Regional Organizations and non-Country Coordinating Mechanisms)

- Ensures that the concept note is submitted according to the specific Concept Note guidelines, and required endorsements are obtained where relevant.
- Coordinates submission through the on-line Grant Management Platform.

#### Global Fund Secretariat (Country Team and Technical Specialists)

- Screens concept notes for completeness of documentation.
- Reviews the concept note to ensure it is ready to proceed to the Technical Review Panel and Grant Approvals Committee. The reviews will include contextual information on the country dialogue process and other information relevant to the funding request. In some cases, a concept note may be sent back to countries for further development before submission for technical review.
- Prepares (with support from technical advisors) the Program Score Card in advance of the Technical Review Panel and Grant Approvals Committee meetings. As needed, provides a briefing and any clarifications during the Technical Review Panel and Grant Approvals Committee review.
- Considers involvement in the selection of the Principal Recipient for countries managed under the Additional Safeguards Policy (see *Operational Policy Note on Additional Safeguards Policy*).



### Practical Advice: Concept Note Submission

**Involve your Global Fund Country Team in reviews.** Share near-final drafts of the concept note with your Global Fund Country Team so that they can see the concept note as it progresses. They may notice areas where additional work would be helpful to clarify an idea or where the TRP / GAC may raise questions. Note that the level of involvement is at the discretion of the Country Team. Country Teams that support multiple countries may not be as active in concept note review.

**Review the concept note for completeness and consistency before submission.** Many times, CCMs submit concept notes with missing data, data inconsistencies, and missing attachments. Please check the concept note to ensure that:

- Nothing is left blank, that all questions have been answered, that the financial figure and objectives add up and are consistent across different concept note sections.
- Relevant supporting documents are attached – NSP, mid-term review, JANS review (if the country has had one), and relevant audit reports.
- The description of request in the CN is consistent with the identified gap and the modules of the modular template.

**Ensure your priorities are clear and clearly articulated.** Ask a knowledgeable person to read it from cover to cover to see whether the context and request is clearly articulated: Is the data for the country and epidemiological context reliable? Does the disease response build on that context and the lessons learned? Is it clear what is planned as a comprehensive response within the overall national disease response to achieve the highest impact on the disease?

**Look through the recent TRP reports to see if any recommendations and guidance apply to your country.** TRP reports are available at: <http://www.theglobalfund.org/en/trp/reports/>

**Be sure your strategic choices deliver impact.** Different from the Rounds-based system, the applicant will be measured against the impact the program has achieved. Therefore the CCM should ensure the request represents strategic choices on where to invest limited resources for maximum impact in the longer term.

**Limit the number of attachments.** At times, applicants have submitted over 80 attachments, which slows down processing of the application. The TRP and GAC will only review attachments that are referenced clearly in the concept note. So if a document is not referenced in the concept note, there should be no need to submit it as an attachment.

**Share final draft with country dialogue participants.** The CCMs must ensure the concept note is shared with all CCM members, Principal Recipients and other stakeholders involved in the concept note development process before it is submitted. When the CCM is confident that the concept note is of good quality then it needs to request ‘endorsement’ of the concept note, through signatures of CCM members and also minutes of CCM meetings or electronic discussions which clearly demonstrate that the final concept note has been shared with all relevant stakeholders. After the concept note has been submitted to the Global Fund, as a courtesy, the CCM may want to share it with participants of the country dialogue process so that they can see the final results and are familiar with what was submitted to the TRP.

**Begin working on grant making tasks as soon as the concept note is submitted (if not before).** Many of the early applicants in the new funding model transition phase found that it was helpful to start work on their detailed budget, performance framework and procurement plan during the time needed for TRP and GAC review. Principal Recipients should continue mapping their implementation arrangements. Country teams may begin the capacity assessment of key implementers.

**Offline Submission of the Concept Note.** *In exceptional cases only, and with advance written approval from the Fund Portfolio Manager,* applicants unable to submit concept notes via the Grant Management Platform can submit completed concept note(s), mandatory attachments and all the supporting documentation to [Accesstofunding@theglobalfund.org](mailto:Accesstofunding@theglobalfund.org), with a copy to their Fund Portfolio Manager.



**Useful reference documents:**

[Concept Note and Guidance](#)

[Concept Note Submission Dates](#)

## Technical Review Panel

### What is the Technical Review Panel (TRP)?

To support the Global Fund in financing programs that are positioned to achieve the highest impact, the Board relies on an *independent* panel of international experts, called the Technical Review Panel, to review and assess the prioritized interventions in the concept note.

The TRP consists of experts in HIV/AIDS, tuberculosis, malaria and health systems, community systems, and cross-cutting development issues. The primary function of the TRP is to review funding requests for strategic focus and technical merit, and make funding recommendations. The TRP serves as a ‘quality assurance mechanism’ by providing an overall assessment, including assessment of prioritization of proposed interventions and potentially makes recommendations on reprioritization. The TRP provides recommendations to the GAC and the Board on the use of allocated funding and above allocation request, including incentive funding. It also determines whether any part of the concept note beyond the funds available should be placed on a register for future funding (called the register of unfunded quality demand). (*See section on Competitive Funding to learn more*).

In addition to the technical review of funding requests, as an advisory body to the Board, the TRP plays an important role in the Global Fund’s strategy development and implementation. Following each review, the TRP provides lessons learned and recommendations. <http://www.theglobalfund.org/en/trp/>

### What will happen during TRP review?

The TRP will generally meet up to four times a year to review concept notes. These meetings will be conducted in-person and the Chair and Vice Chairs will determine the panel size and composition based on the expected concept notes. It is therefore critically important that there is reliable and timely information on expected concept notes per application window to ensure TRP panels of the right size and expertise can be formed.

The TRP will review each request for funding on its own merits and, to the extent possible, consider the overall balance of priorities within a country’s portfolio (e.g., the three diseases, health systems strengthening and community systems strengthening, and other cross-cutting factors) and the broader policy and financial context within a country.

The **TRP Terms of Reference** describe the technical criteria the Global Fund has asked the TRP to use when reviewing funding requests for technical soundness and strategic focus. This includes soundness of approach, feasibility, potential for sustainable outcomes and value for money.

#### Soundness of approach:

- i) Responds to the highest epidemiological priorities and to the most critical health system gaps in a country-specific context, relevant for reducing new infections and mitigating the impacts of existing ones;
- ii) Uses the best, current, evidence-based technical practices and approaches for prevention, control, diagnosis, treatment and care for the three diseases;
- iii) Where appropriate and relevant in a country’s context, demonstrates a strategic focus on vulnerable and key populations, high transmission geographies, and improving the health of mothers and children; and
- iv) Proposes relevant health system strengthening and community systems strengthening interventions to complement adequately core investments in the three diseases and to improve effectiveness, efficiency and sustainability of disease programs.

#### Feasibility:

- i) Has the necessary implementation capacity, including human resources and infrastructure, or has identified adequate mitigation efforts such as through the provision of technical assistance;
- ii) Has sufficient access to and engagement with the populations being served, and adequate resources to carry out the activities successfully;
- iii) Understands and responds to local social, legal and economic constraints that could prevent these activities from being conducted; and

iv) Ensures that structural barriers to accessing services, including those related to human rights and gender, are adequately understood and addressed to achieve the set targets.

#### Potential for sustainable outcomes:

- i) Is consistent with broader health and development strategies and is complementary to other related national or international efforts; and
- ii) Allows for an orderly and rapid transition of capacity and activities to stable in-country counterparts (e.g., organizations, communities, government) and shifts financial support from external to domestic resources.

#### Value for money:

- i) Delivers a technically sound and strategically focused response in a cost-efficient manner – maximal benefit over a defined time period of the resources available.

TRP will also consider relevant contextual, operational, and risk information from the Secretariat concerning the funding requests as part of its review.

Following the TRP review of the concept note the outcome will be one of the following:

- i) Proceed to GAC / grant negotiations: The concept note is determined to be strategically focused and technically sound, although the applicant might need to address some time-bound clarifications/make some adjustments with the Secretariat and / or TRP; or
- ii) Re-submit concept note: The applicant should address the comments raised by the TRP, and re-submit a revised concept note for the TRP review prior to advancing to the GAC and grant-making.

The TRP will summarize its analysis of the concept note and recommendation around incentive funding for submission to the Grant Approvals Committee. Should the TRP request a re-submission, the applicant will be informed shortly after the TRP review. Country Teams will communicate relevant results of a TRP review to the applicant.



### **Roles & Responsibilities: Technical Review Panel**

#### Technical Review Panel

- Reviews concept note for strategic focus and technical soundness.
- Determines whether or not the concept note is ready for grant making.
- Makes recommendations to the Board via the Grant Approvals Committee (GAC) on the award of available incentive funding, and what unfunded quality demand should be added to the Register of Unfunded Quality Demand.
- Makes recommendations on issues to be clarified or addressed during grant-making or grant implementation.
- Provides overall observations, lessons learned and recommendations.

#### Country Coordinating Mechanism

- Address Technical Review Panel clarifications/adjustments as needed.

#### Global Fund Secretariat (Country Teams)

- Present or respond to clarifications during the Technical Review Panel review.

#### Technical Partners

- Provides input to the Global Fund Secretariat and/or directly to the Technical Review Panel prior to the review and provide updates on latest technical guidance related to the review. May be asked to provide additional epidemiological information or clarifications on technical guidelines and guidance.



### Practical Advice: Technical Review Panel

**Start discussing important strategic changes early.** In cases where an applicant wants to make important strategic changes and test new approaches, it may be possible to submit a draft of the concept note for early Secretariat and Partner review. This is part of the iterative process and can help applicants prepare their concept note.

**Be prepared to respond to TRP comments between TRP and GAC dates.** On occasion, the TRP asks for clarifying questions which a country team may bring to you for response.

**Where can I find lessons learned (TRP Reports)?** All TRP reports are publically available on the Global Fund website. See link below. It is recommended to respond directly in writing to any prior TRP comments/suggestions during country dialogue and in the concept note (e.g. risk mitigation strategies, previously identified bottlenecks which require resolution, etc.)



#### Useful reference documents:

[TRP dates 2014 - 2016](#)

[TRP Terms of Reference](#)

[TRP Reports](#)

## Grant Approvals Committee: 1st Review

### What is the Grant Approvals Committee?

The Grant Approvals Committee (GAC) is the Secretariat’s governance mechanism for reviewing and determining funding levels for concept notes submitted under the new funding model. If the TRP recommends that a concept note proceeds to grant-making, it is sent to the GAC to determine the upper-ceiling for the budget and award incentive funding. The GAC meets approximately once per month or bi-weekly in exceptional cases.

The GAC is composed of the following members:

- i. Executive Director (Chair)
- ii. Chief of Staff (Alternate Chair)
- iii. Head, Strategy, Investment and Impact Division (Co-Chair);
- iv. Head, Grant Management Division;
- v. Chief Financial Officer;
- vi. Chief Risk Officer; and
- vii. Head, Legal and Compliance Department

Technical Partners are invited to attend regular GAC meetings. GAC Partners include senior technical experts from WHO (HIV, TB and Malaria Departments), UNAIDS, Stop TB Partnership, Roll Back Malaria Partnership, The World Bank and a representative from civil society with relevant technical expertise. Development partners (bilateral and multilateral donors) are invited to participate in GAC meetings, by disease program and by countries on the GAC agenda, based on their significant in-country investments.

### What happens during the GAC review?

The first GAC review takes place following the TRP review of concept notes, and entails a review of documentation submitted to GAC members<sup>1</sup> and partners one week in advance of the meeting. These include – assessment of CCM eligibility requirements 1 & 2, the concept note, the TRP review form, Program Score Card, and the Country Team presentation. Additionally, confidential memos outlining recommendations from the TRP on the prioritization of incentive funding and critical issues for consideration may be provided exclusively to GAC members.

At the GAC meeting, Country Teams present the context and country’s request for investment based on the Program Score Card shared with the TRP and any new information/developments since the TRP review. This presentation focuses on the epidemiological context in which the request is based, a summary of the concept note, the process through which the concept note has been developed, past performance of Global Fund grants in the country, risk management and any other information on how any technical issues raised by the TRP for GAC attention may be addressed. The GAC will consider the TRP recommendations and any issues raised by the TRP, technical partners and the Country Team during a plenary session. The GAC makes a determination of an upper-ceiling amount for grant-making, including any additional incentive funding during a closed executive session that is not attended by partners or the TRP. The GAC will also consider the registration of any unfunded quality demand, based on the TRP recommendations.

When setting the upper-ceiling for the budget during grant making, the GAC will consider the TRP’s recommendations and the following issues:

- Operational issues, risk management, Office of Inspector General recommendations;
- Inputs from GAC technical, development and civil society partners;
- Opportunities to leverage Global Fund resources to enhance government investment;
- Political and partnership considerations; and
- Policy implications across the portfolio.

<sup>1</sup> “GAC Members” – refers to GAC decision making members including the Executive Director, Chief of Staff, Head of SIID, Head of GMD, Chief Financial Officer, Chief Risk Officer and Head, Legal and Compliance Department.

The budget ceiling will include funding available from a country's allocated funding amount and, if applicable, any additional incentive funding. (*See section on Competitive Funding*).

The GAC decides on how incentive funding will be distributed across applicants, taking into account the recommendation of the TRP and other considerations, including to what extent the request meets the following criteria and additional resources will maximize impact, including:

- i. Strategic focus - based on a robust national strategy, with demonstrated potential for impact in terms of additional gains that can be achieved and/or allowing the country to accelerate and reach the Millennium Development Goals (MDGs);
- ii. Sustainability – including opportunities to leverage Global Fund resources through co-investment and national willingness-to-pay commitments;
- iii. Reward strong performance and progress towards impact; and
- iv. Ambition of the request, prioritized against Global Fund portfolio considerations and Global Fund Strategy 2012-2016.

### **What is the focus of the first GAC review?<sup>2</sup>**

The GAC undertakes reviews of funding applications under the framework of the *Global Fund Strategy 2012-2016* with -

- a. Greater focus on investing more strategically with the aim of maximizing coverage, outcomes and impact at levels required for complete control of the epidemics;
- b. Greater attention to financial and programmatic gap analysis aligned to National Strategic Plans and targets;
- c. Ensuring that adequate investments are made available across grants to address human rights, gender, CSS and key populations as appropriate;
- d. Rigorous review of risk management and mitigation measures; financial management and budget review; grant management and operational issues and value for money; and
- e. Increased focus on sustainability to leverage Global Fund investments and increase domestic contributions.

Following the GAC meeting, the applicants will receive a “Concept Note Assessment and Parameters for Grant Making” form that tells them the upper ceiling for the grant making and summarizes issues raised by TRP and GAC to be addressed during grant making and/or grant implementation.

### **When and how do I find out the decisions and recommendations from the TRP/GAC?**

All communication to CCMs is through Country Teams. In most cases the CCMs will receive the notification letter with the recommendations and decisions within 1 week to 10 days after the GAC meeting.



#### **Roles & Responsibilities: Grant Approvals Committee**

##### Grant Approvals Committee

- Provides oversight on the country dialogue process, assesses requests for funding to ensure strategic investments for maximum impact and refocusing of existing investments.
- Conducts rigorous scrutiny into where Global Fund resources are likely to have maximum impact, achieve development objectives or leverage policy change, taking into consideration country contexts, income levels and epidemic profiles.
- Considers the TRP recommendations and any issues raised by the TRP, technical partners and the Secretariat before recommending an upper-ceiling amount for grant-making, including any additional incentive funding.
- Reviews the assessment of domestic contributions with a focus on ensuring governments deliver commitments, complemented by follow up through high-level engagement of governments.

<sup>2</sup> Refer to article 32 of GAC ToRs.



- Reviews the concept note with a view to identifying cost savings, opportunities to further drive down the costs in order to increase efficiency, expand coverage and improve value for money.
- Proactively leverages GAC partners to plug critical programmatic gaps; collaborate around risk mitigation, HSS and sustainability; mobilize additional resources; maximize impact on maternal, newborn and child health (MNCH); technical assistance; etc.
- Reviews assessment of compliance with CCM Eligibility Requirements 1 and 2.
- Considers the registration of any unfunded quality demand, based on the TRP recommendation.
- Sets parameters for grant making, including sustainability considerations, government contributions, counterpart financing and donor/partnership landscape.

#### Global Fund Secretariat (Country Teams)

- Presents the context and country's request for investment per the Program Score Card shared with the TRP and in exceptional cases, any new information/developments since the TRP review.
- Informs the Country Coordinating Mechanism of the upper-ceiling and of areas that need to be clarified per Technical Review Panel/Grant Approvals Committee comments.

#### Technical Partners

- Provide high-level technical advice on the concept notes' programmatic content, based on most recent evidence and normative guidance.
- Provide technical advice on acceleration of efforts to better target and improve allocation of grant funding towards high impact interventions, key populations, high transmission geographies or hot spots, expanding new technologies, etc.
- Share detailed contextual information as well as on what works based on in-country presence, with special emphasis on alignment, oversight of risk, overcoming political, technical and operational bottlenecks, and implementation feasibility.
- Share detailed information on partnership commitments and coordination of investments at global and country levels in the fight against the three diseases (for example on commodities, procurement supply management, HSS, data systems, etc.)
- Track progress and identifies potential areas of refocusing investments and reprogramming as early as possible
- Respond to policy gaps and/or inconsistencies in normative guidance that only becomes clear by the time of GAC for review.



#### **Practical Advice: Grant Approvals Committee**

**Ensure that the programmatic gap analysis is rigorous and comprehensive, with focus on coverage and outcomes** required for complete control of the epidemics aligned with the NSP; including investments to fill data gaps and improve information systems, mapping of geographic high transmission areas at sub-national, state or district levels and size estimation of key populations.

**Provide detailed information on domestic contributions**, information on areas where the government will assume greater responsibility, and the sustainability of programs financed by the Global Fund. The GAC will review all funding applications with special focus on resources available in-country, including government contributions and the partner funding landscape. The GAC will require clear evidence of co-financing or co-investments in order to assess the financial gaps in the program, and make final determination of allocated and incentive funding for grant-making.

**Clearly state your priorities for incentive funding.** The GAC requires information on the prioritization of a country's unmet needs. Applicants should explain the rationale for the priorities contained in the concept note and to the Country Team so that they can answer questions from either the TRP or the GAC about them.

## Grant-Making

### What is grant-making?

Grant-making is the process of translating the funding request based on the TRP and GAC recommendations into disbursement-ready grants for Board approval and signature. Country Teams, CCMs and Principal Recipients should work together with the aim of completing grant-making within a three month period. Other key stakeholders should be engaged in the process (such as other donors, civil society organizations, and key populations). The budget ceiling for the negotiations over these grants is the allocation amount plus any awarded incentive funding.

There are three interrelated work streams during grant-making:

- i) Development of a work plan for the development of the grant documents;
- ii) Development and negotiations of the grant documents and implementation details with Principal Recipients and obtaining Global Fund internal approvals of the grant documents; and
- iii) Identification and mitigation of capacity gaps and risks related to the grant implementers and grant implementation.

During grant-making, Principal Recipients, the CCM and in-country partners will work closely with the Secretariat to ensure that the implementation arrangements are in place *before* the Global Fund's Board approves each grant, so the program is "disbursement-ready." The Secretariat will assess and help strengthen the capacity of implementers (e.g., through funding technical assistance or capacity-building measures), in close consultation with partners. Only grants of a scale appropriate to each implementer's capacity will move forward.

**What happens during grant-making?** Grant-making includes three stages, described below:

- i) Plan for grant-making;
- ii) Capacity assessment and responses; and
- iii) Development of a detailed budget and performance targets.

#### **i) Plan for grant-making**

The starting point for grant-making is a plan for the grant-making phase, which defines the milestones, deadlines and key actors from grant making negotiations through to Board approval. The relevant Fund Portfolio Manager, supported by the Country Team at the Secretariat, will work closely with the CCM, Principal Recipient and other partners to define a shared plan for each grant. The plan for grant making includes clear responsibilities for each key milestone at the agreed deadlines, including: finalizing the capacity and risk assessments and minimum standards check; completing grant documents; resolving outstanding issues up-front to ensure a grant is implementable; and ensuring that human rights and gender programming outlined in the concept note are fully reflected in the grant to minimize the number of required conditions precedent. If not adequately engaged through the Principal Recipient, preparing and fulfilling the plan for grant making should also involve in-country technical, bi-lateral, civil-society partners, and key populations to clarify expectations of their roles.

#### **ii) Capacity assessment and responses**

As soon as the Principal Recipients are selected, the Country Team, together with support from the Local Fund Agent and other partners, undertakes a thorough implementation assessment to ensure each Principal Recipient or sub-recipient has sufficient implementation capacity. As a first step in the capacity assessment, the PR should prepare or update the implementation arrangements map with the details of sub-recipients, PSM, M&E, supervision, and fund flow processes as they come to light. This map will assist in identifying key areas of risk from a programmatic and fiduciary standpoint. If needed the Secretariat may suggest capacity-strengthening measures through technical assistance, or ask the CCM to identify alternative implementers and implementation mechanisms. A grant should be appropriate to an implementer's capacity. If, during negotiations the Country Team finds none of the options mentioned above are possible, it could reconsider the scale of a program to ensure implementation is feasible.

The Country Team will ensure the risk and capacity assessment accomplishes the following:

1. Determine if capacities and systems of the nominated Principal Recipient and other key implementers (including main sub-recipients) in Finance, Monitoring and Evaluation, Procurement and Supply Management and Governance and Program management are adequate to implement the grant;
2. Identify and mitigate capacity weaknesses of the Principal Recipient(s) that could impede the effective implementation of the grant; and
3. Identify capacity-building and system-strengthening activities and/or alternative implementation arrangements to address implementation gaps and risks.

The Secretariat's assessment will make reference to the CCM's own assessment, provided in the concept note, of the nominated Principal Recipient(s) against the Global Fund's Minimum Standards. The risk and capacity assessments lead to decisions on accepting or rejecting the nominated Principal Recipient(s); addressing any required capacity-building needs; and possible alternative implementation arrangements such as the outsourcing of certain implementation functions.

If a nominated Principal Recipient lacks the capacity to implement a grant, or needs to order drugs or other health commodities before the grant is signed to avoid a stock-out, the Secretariat may decide in certain circumstances to release advance funding for capacity-building, technical assistance and commencement of the procurement process. Necessary funds would be debited against a disease program's allocated funding amount. Fund Portfolio Managers will approach Principal Recipients if the early release of funds for capacity-building or early procurement of drugs or health products is recommended.

If critical risks and capacity gaps are identified through the assessment of implementers and review of grant documents, the Country Team may undertake the following measures:

- i. **Implement capacity building measures.** This can be through technical assistance from partners or the pre-allocation approach (see Operational Policy Note on pre-allocation of Grant Funds), if other sources of funding are not available, and subject to Global Fund approval of the key implementers.
- ii. **Change implementation arrangements.** This can be done through (i) rejecting the nominated Principal Recipient or Sub-Recipient if severe capacity gaps cannot be addressed within a defined time frame and request a change of key implementer from the CCM<sup>3</sup>, OR (ii) exploring mandatory outsourcing of the function in question, such as fiduciary agent, procurement agent and supply and distribution sub-contracting functions. The decision to change the implementation arrangements will be taken by the Country Team with the agreement of its Department Head (high impact countries) or Regional Manager (non-high impact countries).
- iii. **Reduce scope and scale:** scaling-down the grant to the scope and scale (or focus the grant on essential services) so that the grant is appropriate to the capacity of the nominated Principal Recipient(s).

Critical measures that must be completed before Board approval should be planned according to the grant making timelines. For instance, where a grant is approaching the end of grant making and some of the planned measures have not yet been completed, the Country Team may use Technical Assistance or out-sourcing alternatives to help address the risks and gaps in a timely manner, to minimize the risk of delaying Board approval. Other remaining risks and issues may be addressed during grant implementation.

### iii) Development of a detailed budget and performance targets

The core work of the grant making phase is the development and finalization of a detailed budget with an associated list of pharmaceuticals, health products and PSM costs, as well as performance targets. If not already identified during the country dialogue and captured in the concept note, the implementers will detail the specifications and quantify the level of effort per intervention and activity during grant-making.

When finalized, the detailed information developed during grant-making is summarized in a document that integrates the budget and performance targets. This will form part of the Grant Agreement.

<sup>3</sup> In these instances the standard process for assessing and selecting a PR shall be used.

## What is a disbursement-ready grant?

The following outputs are developed, finalized and submitted during grant-making.

- i. Completed Capacity Assessment Tool (with the attached National M&E Plan, where available), where minimum standards are complied with, and where all critical issues that are high risk have been addressed;
- ii. Completed Implementer Mapping;
- iii. Grant management workplan;
- iv. Completed performance targets and detailed budget with associated list of products and PSM costs;
- v. Audit arrangements;
- vi. PR master data and bank account details; and
- vii. Grant Agreement.

The grant agreement will formalize the counterpart financing commitments for the duration of the grant, including additional willingness-to-pay commitments. It will specify the annual government investments, outputs of government investments, mechanism and time-frame for reporting annual government spending.

The grant will be submitted to the Board for approval only when it is disbursement-ready –when the required grant documents are in their final form and agreed with the Principal Recipient, adequate risk mitigation measures have been put in place, and all issues that must be resolved prior to the first disbursement are appropriately addressed.

## Online platform

Similar to the concept note, grant-making development, submission and approval will also occur through the online Grant Management Platform. The core grant making sections of the platform will be accessible during concept note development. Implementers are encouraged to access the guidance and training materials available and, if needed, to seek technical support as early as possible from the Global Fund Secretariat.



## Roles and Responsibilities: Grant-Making

### Country Coordinating Mechanism

- Shares communications from the Global Fund with Principal Recipients and stakeholders.
- Re-engages the participants in country dialogue related to prioritization, choice of interventions and the concept note preparation to ensure the decisions made are reflected in the detailed activity plan of the grant.
- Supports the acquisition and coordination of any TA required during the grant-making process to support the PR and country dialogue participants.
- Ensures follow-up of any outstanding issues impeding grant-making, including complying with any remaining eligibility requirements.
- Supports implementers in updating and finalizing implementation arrangement mapping to include additional implementers identified during grant making or capture new information available during grant making.
- On-going: Works with Principal Recipients, providing oversight on grant-making and grant implementation through the implementation of an oversight plan.

### Global Fund Secretariat (Country Teams)

- Discusses, based on the approved concept note (including required clarifications), the requirements for grant-making and agrees on a plan for grant-making and timeline for completing the process.
- Determines the scope of required Local Fund Agent work related to the review of the detailed budget, indicators, targets and assumptions, the Monitoring & Evaluation plan and the Procurement Plan (what will be procured when).
- Evaluates the detailed budget, assessing each activity for programmatic relevance and financial efficiency.

- (With support from the Local Fund Agent) (i) finalizes assessment of capacity of the Principal Recipient that may have been initiated during concept note development stage; and (ii) initiates and completes additional assessment of key implementers that have been identified during grant making.
- Undertakes anti-terrorism checks on the Principal Recipient's authorized signatories.
- Agrees on risk mitigating measures (including conditions and management actions) to be implemented during grant making and implementation.
- Finalizes grant documents with implementers.

#### Technical Partners

- Provide technical assistance and capacity building in areas recommended by the Technical Review Panel/Grant Approvals Committee.
- Support the Principal Recipients and CCM in the development of the detailed implementation arrangements and grant activity plan based on the concept note.
- Provide support for the development and finalization of grant making documents: Monitoring & Evaluation plans, grant management workplans, Procurement Supply Management plan, budget.

#### Local Fund Agent

- Undertakes as required, a tailored review of the detailed budget, indicators, targets and assumptions, capacity and risk-assessments based on the Country Team's requirements.
- Completes verification tasks before grant signing as a prerequisite for the first disbursement, e.g. Local Fund Agent verification of the bank account details, confirmation of signatory, key Principal Recipient information.

#### Implementers

- Lead a participatory grant-making process once the concept note has been approved.
- Prepares required documents for grant making and submission to the Secretariat.
  - Indicators, targets and detailed Budget/PSM Products and costs.
  - Audit arrangements and Terms of Reference.
  - Principal Recipient Master Data (name, address, bank account details, focal point...) including confirmation letters (for example, letter from the bank).
  - Principal Recipient authorized signatory.
- Update and finalizes implementation arrangement mapping to include additional implementers identified during grant making or capture new information available during grant making.
- Finalize grant documents taking into consideration Local Fund Agent and Secretariat comments and recommendations.
- Negotiate and finalizes the terms and conditions of the Grant Agreement.

#### Civil Society and Key Populations

- Contribute to the development of the grant activity plan with the technical partners and other country dialogue participants to ensure key decisions made during the development of the concept note are maintained during the grant making phase.
- Support the response to the TRP or GAC clarifications and ensures civil society implementers provide their experience for the design of the implementation arrangements
- Participate actively in submitting proposals to act as Sub Recipients and provides supporting documentation if identified as Sub Recipients, including ensuring strong Monitoring & Evaluation and risk mitigation processes.



#### **Practical Advice: Grant-Making**

☆ **Start grant-making as soon as the concept note is submitted.** During the new funding model transition phase many Country Teams/CCMs/Principal Recipients began working on detailed budgets during concept note development, and used the time of the TRP/GAC review to do their capacity assessments and budget. Where the concept note noted technical assistance would be required to complete the grant making

design or for the building of implementer capacity, the CCM should work with the FPM to ensure that the assistance is promptly mobilized.

**Retain the engagement of the country dialogue partners.** Inclusive country dialogue should continue during grant making. It is important to draw on technical partners, experienced national implementers and civil society or key populations to support the choice of detailed activities to achieve the selected interventions. If support from other partners was provided during the concept note development phase, CCMs should consider whether continued support is required during grant making.

**Plan to spend quality time with your Country Team.** If possible, carve out a significant amount of time when the Principal Recipient and the Country Team can work together on negotiating the main elements of the grant agreement in person. This will reduce time spent on clarifications and will allow for rapid and joint decision making.

**Maintain the linkages set out in the modular template.** The new funding model promotes a strong relationship between the disease burden and the choice of the most appropriate response. This will ensure that indicators and milestones are suitable to achieve progress and eventual impact. When developing the grant activity plan, performance framework and costing budget activities, frequent referencing to the modular template and concept note is recommended. The modular template set out the rationale, quantity assumptions, costing criteria and annual targets, and the submitted grant agreements will be closely scrutinized in comparison to the submitted concept note.

**Anticipate procurement lead times.** The procurement plan may have been developed based on the assumptions in the concept note. These assumptions should be reviewed and updated during the grant making phase. The focus should be on health products and commodities with the longest manufacture or delivery lead times. The possibility of pre-funding or pooled procurement should be discussed with the FPM.

**Be realistic about the capacity of implementers.** The capacity assessment tool helps to identify the inherent risk and complexity of proposed implementation plans and implementer organizations. Work on mitigation plans should begin as soon as an issue has been identified.

**Implementer choice should be based on most effective delivery of the interventions.** During grant making, the emphasis should be on the efficient implementation of the identified health responses whilst maintaining a focus on human rights and gender issues. Proposed implementation arrangements may require changes from past implementers where proven alternate implementers would be more efficient. Equally, new implementers that require significant systems strengthening should be carefully considered before replacing an efficient implementer.

## Grant Approvals Committee: 2nd Review

### Why is the 2<sup>nd</sup> Review of the Grant Approvals Committee important?

Disbursement-ready grants to be submitted for Board approval will be reviewed by the GAC, to ensure that the grants reflect the strategic focus in the concept note and TRP and GAC recommendations. The GAC reviews the outcomes of the grant making stage and decides to either: (i) recommend the proposed grant for Board approval; or (ii) refer the proposed grant back to the Country Team for revision or adjustments; or (iii) refer the proposed grant back to TRP if any of the changes between the final grant and the approved concept note are considered material.

### How does it work?

One week before the GAC meeting, the Country Team submits final documents to the GAC including:

- Draft Grant Agreement;
- Implementation Assessment of Principal Recipient;
- Concept Note; and
- Grant-making Issues Documentation Form, describing how the issues raised by the TRP and GAC have been addressed during grant making

During the Second GAC meeting, the Country Team highlights any areas that were unresolved or might need to be flagged to the GAC's attention during grant-making (challenges, difficulties, issues, etc.) as well as areas that will be addressed during grant management and grant implementation. Moreover, the Country Team will highlight any material changes from the original Concept Note (where applicable)

### What is the GAC looking for?

- Rigorous financial and budget review, that results in cost efficiencies (e.g., in program management and unit costs) which can be re-invested for greater impact.
- Clarification of key strategies and actions for follow up during program implementation.
- Determination of final programmatic scope.
- Identification of funding gaps to be added to the register of unfunded quality demand, following deductions of any activities and relevant costs that may have been absorbed during grant making.

### How and when do I find out the results of their review?

All communication to CCMs is through Country Teams. Following review of a disbursement ready grant, the GAC makes a final determination of the funding amount for Board approval. Consequently, the GAC submits a report with the final recommendation to the Board. If approved by the Board, final amounts as well as grant conditions are communicated to the applicant by the Country Team.



### Roles & Responsibilities: Grant Approvals Committee 2<sup>nd</sup> Review

#### Global Fund Secretariat (Country Team, Regional Manager, Regional Department Head)

- Country Team: reviews the grant documents to determine if the documents are ready for approval.
- Country Team: ensures all TRP and GAC recommendations have been adequately addressed, summarizes outcome of the grant making and critical issues including actions taken in the Review and Approval Form and Prepares grant documents to be submitted to GAC.
- Regional Manager or Regional Department Head (for High Impact Department) determines disbursement readiness and confirms that the grant may be submitted for Grant Approvals Committee review.

### Grant Approvals Committee

- Reviews the outcomes of the grant making stage and decides whether to recommend the proposed grant for Board approval.
- Submits disbursement-ready grants to the Board for approval (ensuring that grants reflect Concept Note strategic focus, TRP and GAC recommendations).
- Endorses registration of Unfunded Quality Demand. This includes any ‘above allocation’ funding requested through the Concept Note which is considered technically sound by the TRP, and not funded using allocated or incentive funding during grant making.
- Submits a report to the Board reflecting priority areas of investment for each disease program, summary of TRP review and GAC funding recommendations, for each grant. The GAC report to the Board presents funding recommendations in the format of narrative summaries, a table of proposed incremental amounts, and a table of unfunded quality demand that will be added to the register.
- Continues on-going portfolio monitoring –regular tracking and reporting on impact of investment decision on the portfolio, on uncommitted assets and financial forecasts.



#### **Practical Advice: Grant Approval Committee 2<sup>nd</sup> Review**

**Highlight new developments/changes.** Ensure that the response form is completed and any new information/developments or changes made in strategic focus and key interventions since TRP and GAC review are clearly highlighted for determination of materiality.

**Maximize value for money.** Look for opportunities to maximize value for money and the impact of available resources in terms of coverage of key interventions that can be funded within the grant making ceiling set at the first GAC review meeting.



## Board Approval/Grant Signing

### What is Board Approval/Grant Signing?

The Global Fund Board approves disbursement-ready grants, after which the Global Fund signs the grant and funds may be committed and released. The Grant Agreement is signed by the authorized signatories of the Principal Recipient, CCM and the Global Fund. The Global Fund signs the Grant Agreement after the Principal Recipient and CCM have signed. The Principal Recipient and CCM should sign within 30 calendar days from receipt of the Grant Agreement.

### What does the Board approve?

Board approval will be requested through a monthly or, if necessary, bi-weekly electronic GAC Report. The Board will approve the final amount for each grant across each disease component and the scope of interventions and investments negotiated by the Secretariat. The main documents to be submitted to the Board are the GAC Report, the concept note, and the Review and Approval Form. The negotiated grant agreement will be submitted as part of the supporting documents but will not require approval by the Board.

The grant agreement is signed as soon as possible to facilitate disbursement of funds and grant implementation. Signing the grant agreement will be facilitated through the Grant Management Platform. Once the Board Decision has been confirmed, the final GAC recommended and Board-approved amount is entered into the on-line system Grant Management Platform as a ceiling for the total amount per country, per disease program and per defined implementation period. This ceiling is a key budgetary control. A “Grant Confirmation” will be issued and signed by the Global Fund with the Principal Recipient. The Grant Confirmation will include:

- a. A narrative context for the agreement;
- b. A cover sheet capturing details about the agreement and signing parties;
- c. Integrated Grant Description; and
- d. Any relevant attachments capturing conditions and other essential grant details.

**First Annual Funding Decision.** The first annual funding decision is reviewed and approved as part of the finalization of the detailed budget. The first annual funding decision and the disbursement schedule related to this decision are captured in the Integrated Grant Description, which forms a part of the related Grant Confirmation.

**Grant Start Date.** The Secretariat and PR set the grant start date, taking into consideration alignment with the national fiscal or reporting cycles and the ending dates of any existing grants.



### Roles & Responsibilities: Board Approval/Grant Signing

#### Global Fund Secretariat (Country Team)

- Arranges submission of the grant for Board approval.
- Informs the Country Coordinating Mechanism and Principal Recipient of the Board approval.
- Prepares grant documents for signature.

#### Global Fund Board

- Approves the grant through an electronic report submitted to the Board.

#### Country Coordinating Mechanism

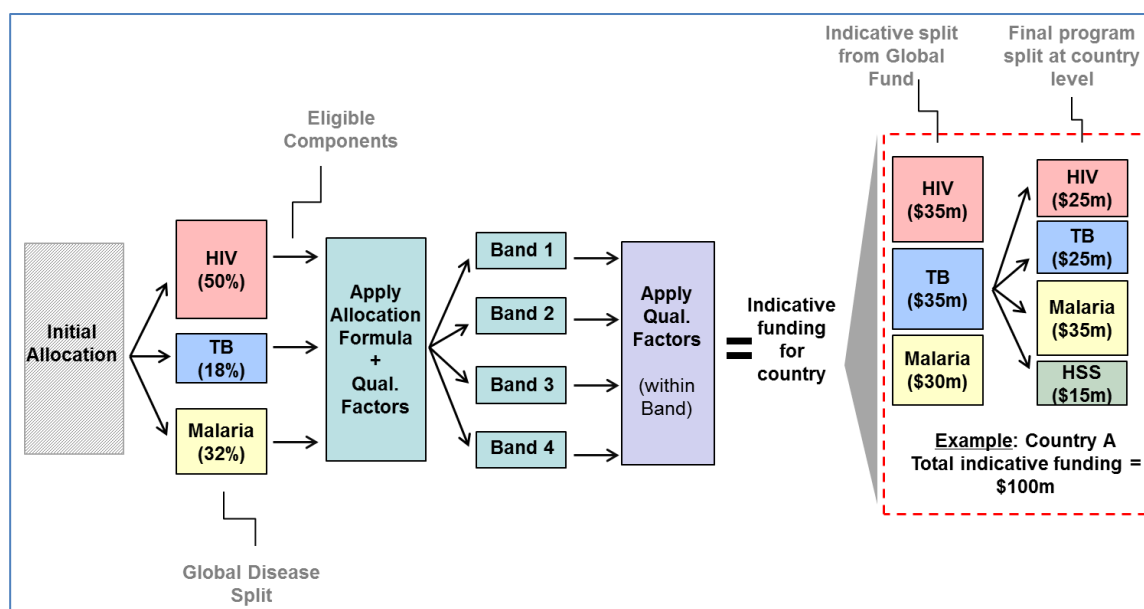
- Ensures that the Grant Agreement is signed by Authorized Signatories within 30 calendar days after receipt of the final documents for signature.

## Allocated Funding

### Eligibility for Global Fund Financing

Eligibility for Global Fund financing is determined based on the revised *Eligibility and Counterpart Financing Policy*. The *Global Fund Eligibility List* identifies for which disease each country is eligible to receive an allocation of funds. While the Global Fund will publish an eligibility list each year, funding allocations will only be made once every three years. Eligibility is determined by a country's income level, provided by the World Bank, and official disease burden data, provided by the World Health Organization (WHO) and UNAIDS. Countries or components that become eligible during an allocation period may receive a funding allocation, subject to the availability of funding, only after being newly eligible for two consecutive years. Countries or components that become ineligible during an allocation period, before accessing their funding allocation, will not forfeit their allocation. However, the Secretariat may adjust the level of funding and require specific time-bound actions for transitioning to other sources of financing. Newly ineligible components may be allocated funding to cover up to one replenishment period to support an effective transition from Global Fund support.

**Allocation Methodology:** The diagram below provides an overview of the allocation methodology for countries. The process and factors considered in the allocation are described in detail afterwards.



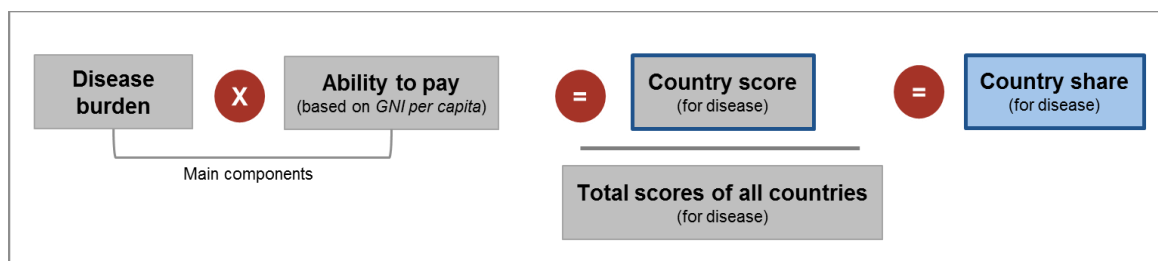
**Initial Allocation:** The Finance and Operational Performance Committee (FOPC) of the Global Fund determines the resources available for investment over the allocation period.

**Global Disease Split:** The global disease split is determined by the Global Fund Board at the beginning of the allocation period. It divides the available resources into three global envelopes, one per disease. The disease split is an up-front input into the allocation methodology, before the application of qualitative factors and before applicants decide how to allocate financing between the three diseases for their individual country programs. The ratio approved for the 2014-2016 allocation period is: 50% for HIV, 32% for malaria and 18% for TB. This ratio may be reviewed and updated before each 3-year allocation period. As an illustrative example, if \$10B was the initial allocation, then \$5B ( $\$10B \times 50\%$ ) would be the total upfront amount for HIV, \$3.2B for Malaria and \$1.8B for TB.

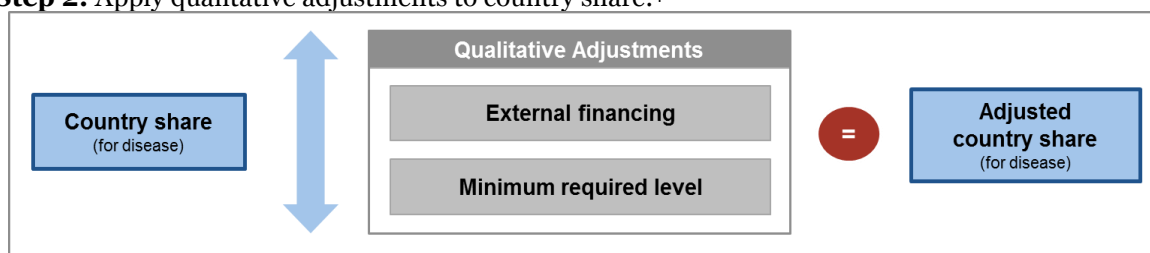
Note: In the section following we will describe the process for allocation that relates to individual countries. The approach for regional applications is covered in the section on *Non-Standard Applications*.

The main steps in the allocation formula show below how the total funding for each disease is divided between eligible countries:

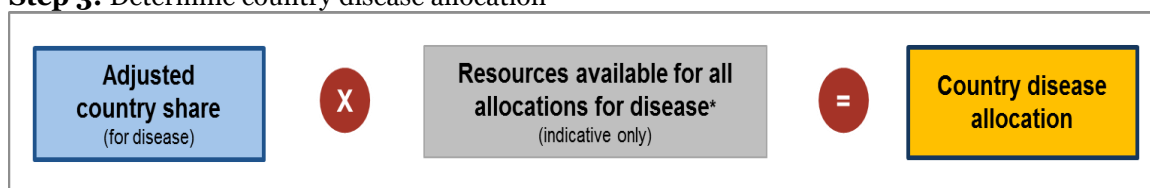
**Step 1:** Calculate a country share for each eligible disease component within the total funds available for each disease.



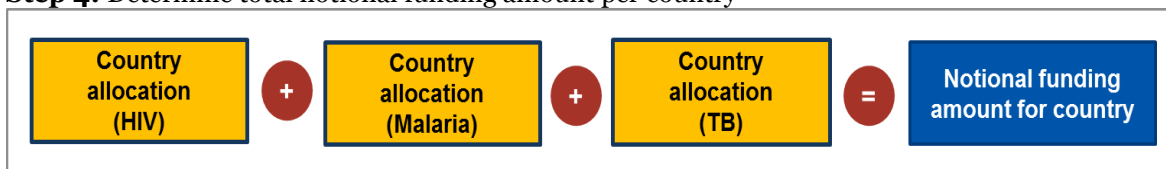
**Step 2:** Apply qualitative adjustments to country share.<sup>4</sup>



**Step 3:** Determine country disease allocation



**Step 4:** Determine total notional funding amount per country



- **Country Bands:** Countries and their notional funding amounts are then placed in country bands as shown in the diagram. Notional funding amounts for countries within the same Band are aggregated to generate funding amounts per Band. Band composition and the allocations to each Band will be announced by the Global Fund Board in March 2014.

<p><b>Band 1</b></p> <p>Lower income Higher burden</p>	<p><b>Band 3</b></p> <p>Higher income Higher burden</p>
<p><b>Band 2</b></p> <p>Lower income Lower burden</p>	<p><b>Band 4</b></p> <p>Higher income Lower burden</p>

<sup>4</sup> See Section on Qualitative Adjustments for explanation of external financing and minimum required level adjustments.

- **Band 4:** For Band 4, countries with lower disease burden and higher income levels, a separate methodology has been developed so that these countries will not be disadvantaged as they might had their allocations be based on disease burden and income. It is based on population size rather than disease burden.
- **Qualitative Adjustments:** The notional country disease allocation resulting from the allocation formula (Step 3), and following Board approval of Band composition and allocation, is then further adjusted based on a number of qualitative factors.<sup>5</sup> The majority of the qualitative adjustments, with the exception of external financing and minimum required level (discussed in step 2 in the section on the allocation formula), are made after Board approval of Band composition and allocation. This means that any adjustments made have to be offset by other adjustments in the same band. For example, if one country's allocation is reduced because of concerns that they cannot use the funds in 3 years, these funds will be reallocated across all the other countries.

Criteria	Allocation Impact	Description
<b>Adjustments to Formula Amount Prior to Band Aggregation<sup>6</sup></b>		
1. External Financing	Maximum decrease or increase in allocation of 50%	<ul style="list-style-type: none"> <li>- Funding for the three diseases from external sources other than Global Fund. Loans are counted at 50% of the allocated amount (to account for repayment)</li> <li>- Based on recent or projected funding information from top donors and on information derived from the OECD DAC database for any other donor.</li> </ul>
2. Minimum required level	Total of past years' disbursement data reduced by 10% per year	<ul style="list-style-type: none"> <li>- Used to allow a graduated reduction to the funding levels of disease components that have received funding at levels above their notional shares under the allocation methodology</li> </ul>
<b>Adjustments Within Bands<sup>7</sup></b>		
3. Performance	Increase of up to 25% for good/exceptional implementation	<ul style="list-style-type: none"> <li>- Weighted average performance of Global Fund grants over last 24 months (cut-off date provided)</li> </ul>
4. Impact	Increase or decrease of up to 15%	<ul style="list-style-type: none"> <li>- Impact of the national disease programs supported by the Global Fund in reducing mortality and morbidity to meet the 2015 MDGs 6/international targets is rated to "Demonstrated impact", "Making Progress towards impact", "No or limited progress towards impact" or "Insufficient data" based on method, data sources and results agreed with WHO and UNAIDS.</li> </ul>
5. Increasing rates of infection	Increase of 5%	<ul style="list-style-type: none"> <li>- Additional funding for increasing rates of infection in the overall population or in a key population, where additional funding would help reverse the trend.</li> </ul>
6. Risk	Increase of up to USD 1 million per disease component	<ul style="list-style-type: none"> <li>- Increase given to countries in high risk situations to finance risk mitigation measures.</li> </ul>
7. Absorptive Capacity	Decrease (no defined amount)	<ul style="list-style-type: none"> <li>- Based on spend rate and annualized spent amount over last 24 months (based on Enhanced Financial Reporting)</li> <li>- Global Fund Secretariat reviews the allocation amount against past disbursements to determine whether funds can be absorbed</li> </ul>
8. Other considerations	No defined amount	<ul style="list-style-type: none"> <li>- The Secretariat may take into account other considerations that have an impact on the allocation amount.</li> </ul>
<b>Adjustments During Pre-Concept Note Development Country Dialogue</b>		
9. Willingness to Pay (see section on Counterpart Financing and		<ul style="list-style-type: none"> <li>- 15% of the allocation is conditional upon government's willingness to make an additional investment into the disease program.</li> <li>- To access their full allocation, countries must demonstrate an increased willingness-to-pay. If they do</li> </ul>

<sup>5</sup> Formula amount decreased to 70% before application of qualitative factors

<sup>6</sup> The formula amount is also adjusted for maximum and minimum shares

<sup>7</sup> Contextual information not captured within the specific qualitative adjustments may be considered in determining country allocations on a case-by-case basis.

Willingness to Pay)		<p>not, then they will only be able to access 85% of their allocation. Governments will be able to access this remaining 15% of the allocation upon committing and realizing additional investments in disease programs on top of the expected counterpart financing requirements as determined by their country income category.</p> <ul style="list-style-type: none"> <li>- This will be assessed during annual funding decision process and failure to meet commitments will result in downwards adjustments to funding amounts</li> </ul>
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- **Finalizing Country-Specific Funding Allocation:** After the qualitative adjustments the Secretariat will ensure that the total allocations for each country match the total amount available for that band. Finally, the Grant Approvals Committee will review the allocations at a portfolio level, and any specific components or countries where there are outstanding questions to make final decisions.
- **Communication to Countries:** Countries will be informed of their total allocation and for information only, be given a breakdown by disease component. Countries will have the flexibility to revise the allocation among the disease components and will also be able to allocate funds to cross-cutting health systems strengthening during their discussion around their program split. (*See the section on Concept Note: Preparation for more information about the program split*)
- **Accessing and Using Funds:** A country may access its allocated funding anytime within the 2014-2016 allocation period. **All allocated funding must be signed into grants by December 31, 2016.** Otherwise the funds will be considered available for allocation in the 2017-2019 allocation period. The funding may be used beyond the allocation period if the grant is signed before the end of the period.

**Existing Funding:** The approach to existing funding is not yet finalized and an explanation will be included in version 2 of this resource book, scheduled for release in March, 2014 following the announcement of the allocation amounts.



**Useful reference documents:**

- [Eligibility and Counterpart Financing Policy](#)
- [Eligibility List 2014](#)

## Competitive Funding

**Full Expression of Demand:** All applicants are encouraged to formulate their full expression of demand – the total funding that is needed for an appropriate response to the disease(s) and/or cross-cutting HSS - and submit a prioritized request for this full amount in the concept note. Interventions proposed for funding should be prioritized (e.g., planning to avoid gaps in service or commodity delivery), both those in the funding allocation as well as proposed interventions that exceed the funding allocation (above allocation request). A full expression of demand is needed in order for the Grant Approvals Committee (GAC) to make funding recommendations regarding incentive funding. If the request is technically sound, the GAC may register any unfunded quality demand for potential funding by other donors and by the Global Fund should additional resources become available.

**Incentive Funding:** Funding requests that exceed funding allocations but demonstrate the greatest potential for high impact may be funded through a pool funding that is competitively awarded called incentive funding. The criteria for award of incentive funding include the ambition of the request (i.e. whether it reflects the full need), the strategic focus (which includes potential for impact, and whether the request is based on a robust national strategy) and sustainability (including co-investment and national willingness-to-pay commitments). Awarding of incentive funding will be based on the Technical Review Panel recommendation. The GAC will recommend interventions to receive incentive funding based on country proposals in the concept note. The GAC decisions will be communicated together with the decision on allocated funding and will provide the upper-ceiling for grant-making.

Note not all applicants are eligible for incentive funding:

- Countries in Band 4 (higher income, lower burden) are not eligible for incentive funding since they have their own allocation methodology, which recognizes the particular needs of countries / disease components in Band 4.
- Disease components that have been significantly ‘over’ allocated verses their notional shares in the allocation methodology will not be eligible for Incentive Funding during the 2014 – 2016 allocation period.

**Unfunded quality demand:** Any funding requested through a concept note which is considered strategically focused and technically sound by the TRP but for which there are not enough resources currently available, will be placed on a register for possible financing (over a three year period) by the Global Fund or other donors when, and if, any new resources become available. This is called the Register of Unfunded Quality Demand. At the end of each year, the Secretariat will determine whether any additional funds are available. If so, applicants will be selected off the register to receive additional funding that can be reprogrammed into their existing grants.

All countries (and components) in all Bands are eligible to receive funding for unfunded quality demand that is recorded on the register. Regional and multi-country proposals may also receive funding through the Register of Unfunded Quality Demand.



### Practical Advice: Competitive Funding

**If a disease component is not eligible for incentive funding, consider a simpler approach to express the full demand.** In this case applicants should only fill out the budget form (called the modular template) for the amount they have been allocated. Then they may summarize their full expression of demand and provide a high level budget in text in the concept note (This should be no more than one to two pages long). If this demand is deemed technically sound and is later selected for funding, the applicant will be asked to describe the additional funds requested in more detail at that later stage.

## Country Coordinating Mechanism (CCM) Eligibility

### CCM Eligibility Requirements and Minimum Standards

To be eligible for Global Fund financing, CCMs, sub-national CCMs and Regional Coordinating Mechanisms (RCMs) must meet each one of the six CCM eligibility requirements listed below, approved by the Global Fund Board in May 2011 (*Guidelines and Requirements for CCMs*, Decision Point: GF/B23/DP17).

Non-compliance with any of the six eligibility requirements could result in a CCM being ineligible to submit a Concept Note until compliance issues are addressed, or could result in a concept note being ineligible for funding.

In July 2013, the **CCM Guidelines and Requirements** were updated by the Strategy, Investment and Impact Committee (SIIC) in July 2013 (GF/SIICo8/DP4). There are four important changes to be aware of:

- ☆ **CCM minimum standards.** There are now CCM minimum standards that will be required for grant signing as of January 2015. The minimum standards, which measure core functions of a CCM, ensure a CCM can perform core tasks before signing a new grant (or grant renewal). The CCM Minimum Standards are related to Eligibility Requirements 3 to 6.
- ☆ **CCM annual self-assessment.** CCMs are expected to perform annual self-assessment against the eligibility requirements and take action to address gaps.
- ☆ **Representation of people impacted by the diseases.** CCM Eligibility Requirement (ER) No. 4 now requires the presence on the CCM of those most impacted by HIV, tuberculosis and malaria.
- ☆ **Principal Recipient selection.** CCM Eligibility Requirement No 2 on selecting Principal Recipients now has a simplified approach to re-select well-performing Principal Recipients.

#### Requirement 1:

The Global Fund requires all CCMs to:

- i. Coordinate the development of all funding applications through transparent and documented processes that engage a broad range of stakeholders - including CCM members and non-members – in the solicitation and the review of activities to be included in the application; and
- ii. Clearly document efforts to engage key populations in the development of funding applications, including most-at-risk populations.

#### Requirement 2:

The Global Fund requires all CCMs to:

- i. Nominate one or more Principal Recipients at the time of submission of their application for funding (if two Principal Recipients are nominated they should represent different sectors);
- ii. Document a transparent process for the nomination of all new and continuing Principal Recipients based on clearly defined and objective criteria; and
- iii. Document the management of any potential conflicts of interest that may affect the Principal Recipient nomination process.

For this requirement:

CCM applicants must demonstrate that Principal Recipient nominations occurred through a transparent process for each Principal Recipient (including cases where an existing Principal Recipient has been re-selected). A transparent process means that the Principal Recipient selection process is advertised through different channels (or published in mass media) and a broad range of stakeholders are informed. The results of the selection must also be published. Documents submitted must show evidence of the process that was undertaken to nominate and select a Principal Recipient, and demonstrate how any actual or potential conflict of interest was managed.

☆ Note: In cases where the CCM is re-selecting a well-performing Principal Recipient, supporting documentation is different from that required for the nomination of a new Principal Recipient. This supporting documentation may include:

- The criteria (i.e. past performance, implementation capacity and sub-recipient management) used by the CCM to decide to continue with an existing well-performing Principal Recipient nomination.
- Minutes of CCM meetings where Principal Recipient re-selection is discussed and voted upon.
- The process and results of the voting for re-selecting Principal Recipient(s).

### Requirement 3:

Recognizing the importance of oversight, the Global Fund requires all CCMs to submit and follow an oversight plan for all financing approved by the Global Fund. The plan must detail oversight activities, and must describe how the CCM will engage program stakeholders in oversight, including CCM members and non-members, and in particular non-government constituencies and people living with and/or affected by the diseases.

### ☆ Requirement 4:

The Global Fund requires all CCMs to show evidence of membership of people that are both living with and representing people living with HIV, and of people affected by and representing people affected by Tuberculosis and Malaria as well as people from and representing key populations, based on epidemiological as well as human rights and gender considerations.

### Requirement 5:

The Global Fund requires all CCM members representing non-government constituencies to be selected by their own constituencies based on a documented, transparent process, developed within each constituency. This requirement applies to all non-government members including those members under Requirement 4, but not to multilateral (ex, UNDP, WHO, UNAIDS etc) and bilateral partners (USAID, CDC etc).

### Requirement 6:

To ensure adequate management of conflict of interest, the Global Fund requires all CCMs to:

- Develop and publish a policy to manage conflict of interest that applies to all CCM members, across all CCM functions. The policy must state that CCM members will periodically declare conflicts of interest affecting themselves or other CCM members. The policy must state and CCMs must document that members will not take part in decisions where there is an obvious conflict of interest, including decisions related to oversight, and selection or financing Principal Recipients or Sub-Recipients; and
- Apply their conflict of interest policy throughout the life of Global Fund grants, and present documented evidence of its application to the Global Fund on request.

The six requirements for CCM eligibility apply equally to sub-national CCMs and to Regional Coordinating Mechanisms (RCMs).

Note: In limited circumstances (as described in points 84 and 85 of section 8 of the [Guidelines and Requirements for CCMs](#)), the Global Fund will accept applications by applicants who do not apply through a CCM (non-CCMs) or for multi-country applicants through a Regional Organization (RO). Non-CCM and RO applicants are not bound to the six requirements for CCM eligibility.

## Process for Reviewing CCM Eligibility Requirements

- **Requirements 1 and 2:** Requirements 1 and 2 are assessed at the time of Concept Note submission.
- ☆ **Requirements 3 to 6:** Requirements 3, 4, 5 and 6 are assessed annually through a *CCM Eligibility and Performance Assessment*. In most cases this Assessment is to be conducted with the support of a Technical Assistance (TA) Provider.

**Requirements 1 and 2:** Once an applicant submits a concept note to the Global Fund, the Secretariat will review the applicant's eligibility, based on documentation on concept note development and Principal Recipient selection for compliance with Requirements 1 & 2 (provided with concept note submission). The Secretariat may request clarifications prior to determining compliance and will then communicate the level of compliance to the applicant. If an applicant does not comply with both eligibility requirements the concept note will be sent back and the CCM will be required to re-conduct the related processes.



**Requirements 3 to 6:** Starting in 2014, the Secretariat will review CCM compliance with all Eligibility Requirements, including Minimum Standards, on a yearly basis. This assessment will produce a complete diagnostic, and indicate compliance levels with Eligibility Requirements and Minimum Standards to determine the level of functionality of the CCM. **Compliance with CCM Minimum Standards will be enforceable beginning January 1 2015. If a CCM does not show compliance with Minimum Standards by January 2015, grant signing will be affected.**

#### Requesting Technical Assistance to Conduct the CCM Self-Assessment

CCMs should request Technical Assistance from Technical Assistance Providers in order to facilitate the CCM self-assessment and produce a complete diagnostic that takes into account information from in-country partners. A list of Technical Assistance Providers available to provide support for the self-assessment is available at: [www.theglobalfund.org/en/ccm/technicalassistanceProviders/](http://www.theglobalfund.org/en/ccm/technicalassistanceProviders/)

The Technical Assistance Provider, in collaboration with the CCM, will analyse internal functioning and dynamics of the CCM and conduct interviews with in-country key stakeholders to get the information necessary to develop a diagnostic and improvement plan for each CCM. This improvement plan is to be submitted to the Global Fund Secretariat.

CCMs who would like to choose a provider not on this list to facilitate this process, or where the current Technical Assistance Providers are not able to help must consult their Fund Portfolio Manager. In very specific cases the Fund Portfolio Manager will contact the CCM to conduct this assessment in a slightly different way.

#### Compliance with Eligibility Requirements and Minimum Standards

CCMs that are fully compliant will be deemed eligible for one year from the assessment.

For non-fully-compliant CCMs, Technical Assistance Providers will support the CCM to develop a milestone-driven improvement plan prior to Concept Note submission. The improvement plan, to be implemented by the CCM, will be reviewed by the Global Fund when the Concept Note is submitted. It is the CCM's responsibility to ensure that the latest information is in the online system as the plan is progressing. In consultation with partners, the Global Fund will determine if the proposed plan is reasonable and acceptable. If the CCM performance has progressed in line with the agreed improvement plan, the Global Fund will consider the CCM eligible for funding. Non-adherence to the improvement plan will impact current and future funding.

#### **Required Documentation for CCM Eligibility**

Examples of documentation required to demonstrate compliance with the Global Fund's CCM Eligibility Requirements are listed in the Eligibility Screening Tool (for Requirements 1 and 2) and CCM Eligibility Performance Assessment Tool (for Requirements 3 to 6).



#### **Practical Advice**

**Start self-assessment early.** CCMs should start the process of requesting technical assistance for the annual self-assessment early in 2014 so that they can address any eligibility issues early and avoid potential delays in grant signing. Global Fund Country Teams can answer questions about how to request and fund technical assistance.

**Include stakeholders beyond the CCM.** For eligibility Requirement 1 (inclusive process to develop concept notes), CCMs should consider non-traditional participants as well. For example, encourage experts in health systems strengthening or in maternal, newborn and child health within the country to participate.

**Useful reference documents:**

[Guidelines and Requirements for CCMs](#)

[Applicants and CCMs](#)

[Conflict of Interest Policy Guidelines](#)

[Performance Assessment Tool](#)

[CCM minutes template](#)

## Counterpart Financing and Willingness-To-Pay

### What is Counterpart Financing and Willingness-To-Pay?

To achieve lasting impact in the fight against the three diseases, financial commitments from domestic sources must play a key role in meeting national strategies. The Global Fund's ability to allocate funding to countries is far from sufficient to address the full cost of national responses to fight the three diseases and to strengthen health systems. It is therefore critical that national governments increase, sustain and grow their resources to fund national disease programs and their health sectors.

All programs supported by the Global Fund should comply with the counterpart financing requirements by: (a) meeting the minimum threshold contribution; (b) increasing government contributions to the national disease programs and the health sector; and (c) ensuring reliable data is available to measure government spending.

Additionally, the Global Fund is adding a feature through the new funding model that encourages governments to increase their funding further: 15% of a country's allocated funding can be accessed only by governments committing to make additional contributions. This is called a country's *willingness-to-pay* commitment.

National investments in programs supported by the Global Fund and the health sector will be tracked on an annual basis to ensure that a country meets both its counterpart financing requirements, and its willingness-to-pay commitment.

### What are the Global Fund's counterpart financing requirements?

The Global Fund defines counterpart financing as all domestic public resources allocated to the national response against HIV, tuberculosis and malaria or allocated to the health sector; from:

- i. Government revenues (central, regional, and local);
- ii. Government borrowings from external sources or private creditors;
- iii. Social health insurance; and
- iv. Debt relief proceeds including Debt2Health contributions to the Global Fund.

In accordance with the Global Fund policy on eligibility and counterpart financing, applicant countries are required to demonstrate:

1. Government contributions to the national disease program that meet the minimum **counterpart-financing threshold**. The counterpart-financing threshold is set at 5 percent for low income countries, 20 percent for lower-lower middle income countries, 40 percent for upper-lower middle income countries, and 60 percent for upper middle income countries. The Counterpart Financing Share (CFS) is used to assess compliance with the minimum counterpart financing threshold.

	Government Contribution (A)
Counterpart Financing Share (CFS)=	Government (A) + Global Fund (B) Contribution

For HSS grants, Government Contribution (A) includes spending on all national disease programs which receive Global Fund support. Global Fund (B) Contribution includes support for all diseases and HSS. For example, if a country has existing Global Fund support for HIV and malaria, government contribution to these two disease programs are included.

2. **Increasing government contribution to the (a) national disease program and (b) health sector over time in absolute terms.** The eligibility and counterpart financing policy requires that governments steadily increase their contributions to the national disease program each year to minimize the replacement of government spending by external assistance. There may be reasons why some countries are temporarily unable to increase contributions, such as during an economic or humanitarian crisis. These circumstances will be considered. Governments will also be requested to report on overall public spending on health over time. The intent is to help countries steadily strengthen the government contributions to fund their national disease programs, in the context of increasing overall public spending on health. This

will mean that increased funding to fight the three diseases does not come at the expense of other health programs.

3. **Improvements to disease and health expenditure data overtime.** Countries should be able to track disease and health spending on an annual basis by strengthening and building upon existing systems and processes. Most countries are already reporting data on disease and health spending to technical partners. However, there is room to improve the quality and reliability of the data. CCMs must assess the adequacy of existing systems and identify actions to improve data quality, if needed. CCMs are encouraged to include investments in their funding requests to strengthen expenditure tracking through mechanisms such as National Health Accounts. CCMs may consult with their Fund Portfolio Manager to strengthen data quality by budgeting and reprogramming grant funds up-to USD 50,000 per disease program supported by the Global Fund.

### What are acceptable willingness-to-pay commitments for the Global Fund?

Under the new funding model, the Global Fund will take into account a country's willingness-to-pay commitment in determining a country's allocated funding. The Global Fund will now make 15% of a country's allocation dependent on whether a country meets its willingness-to-pay commitments.

Willingness-to-pay commitments are defined as additional government investments:

- i. Beyond **current levels of government spending**;<sup>8</sup>
- ii. Over the **minimum counterpart financing requirements**. Meeting the minimum counterpart financing requirements for all components supported by the Global Fund (disease and HSS, as applicable) is a pre-requisite for accessing the willingness-to-pay component of a country's allocated funding. If a government is not able to meet these minimum requirements, the country will not be able to access funding dependent on meeting the willingness-to-pay commitments; and
- iii. Committed to **strategic areas** of the national disease programs supported by the Global Fund- Investment in priority areas of the national strategic plan and/or health systems strengthening to address bottlenecks in management and service delivery of programs supported by the Global Fund;
- iv. **Formally committed by the government** for relevant future years<sup>9</sup>; and
- v. **Verifiable** through budgets or equivalent official documentation on an annual basis.

The willingness-to-pay commitments are based on government funding to any Global Fund eligible disease program and to health systems strengthening relevant to such programs. Actual level of government commitments required to access the total willingness-to-pay allocation will be agreed upon during country dialogue; and will depend on country allocation, existing commitments, past spending trends, country income, and fiscal space. If existing government commitments are sufficient, the Secretariat will request the government to confirm these commitments. The Secretariat may also negotiate for higher commitments in accordance with the needs of the country. CCMs and partners are expected to advocate for additional commitments, if government commitments do not meet the counterpart financing requirements or the willingness-to-pay commitments.

The type of commitments acceptable to the Global Fund will depend on the country context, official nature of commitments, trends in government spending and past history of meeting commitments. Government commitments that are based on national strategic plans, medium term expenditure frameworks or other official documents are acceptable, provided the government has a reasonable track record of meeting relevant previous commitments.

- If government spending shows strong increasing trends, but official medium term commitments are not available, commitments negotiated during country dialogue and confirmed by the CCM in the concept note should be sufficient.

<sup>8</sup> Current level of spending is the sum of budget allocation in the year of submission and actual spending in the previous two years; when comparing to a subsequent three year investment phase. Where the next investment phase is for a period other than three years, annual average of budget allocation in the year of submission and actual spending in the previous two years is multiplied by the implementation period to arrive at current level of spending.

<sup>9</sup> Additional investments should not be lower than already existing government commitments

- If countries have an insufficient track record of government spending or require significant increases in government spending to reach the minimum counterpart financing requirements or to meet the willingness-to-pay commitments, any commitments negotiated during country dialogue must be formalized by the Ministry of Health or Ministry of Finance, as appropriate.

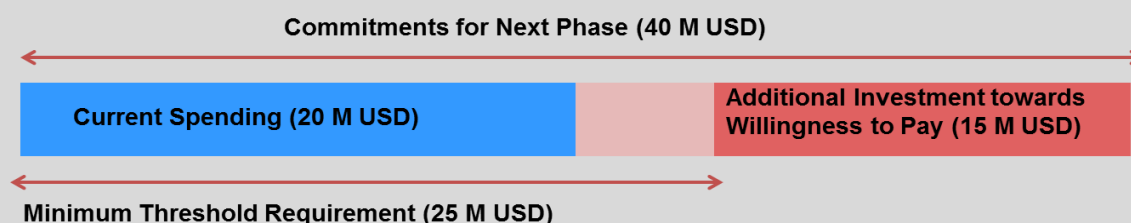
### Calculation of Government's Willingness-to-Pay Commitment to a Disease Program

Let us examine two examples of how to calculate the willingness-to-pay commitment. In both cases, the country is a lower-lower middle income country with an allocation of USD 100 million for HIV.

- A. Allocation=USD 100 million
- B. Minimum threshold requirement= 20%
- C. Minimum threshold of government spending = USD 25 million  $(A*B)/(100\%-B)$

#### Example 1: Government spending below minimum counterpart financing threshold

- D. Current government spending = **USD 20 million**
- E. Government commitments for next phase= USD 40 million
- F. Additional investments counting towards WTP= E-C (since  $C>D$ )= USD 15 million



#### Example 2: Government spending above minimum counterpart financing threshold

- D. Current government spending = **USD 30 million**
- E. Government commitments for next phase= USD 40 million
- F. Additional investments counting towards WTP= E-D (since  $D>C$ )= USD 10 million



**How do countries meet their willingness-to-pay commitments?** In its announcement of funding allocations to countries, the Global Fund will describe the amount of funds it will make available if a country meets its willingness-to-pay commitments. During country dialogue, the country team will work with the CCM to develop a clear understanding of the government financing mechanisms for the disease programs. This will include the current government financing for each disease and HSS, and additional investments planned by the government. Based on this information, the minimum level and type of government commitments required to access 15% of the allocated funding through meeting willingness-to-pay commitments will be agreed during country dialogue. The Country Team will also agree on the specific mechanisms for tracking government investments, especially if it has been difficult to track total government spending on an annual basis.

Since a country may make commitments to fight the three diseases or to strengthen its health system that could count towards meeting its willingness-to-pay commitments, it is imperative that negotiations for all these activities occur at the same time. The CCM is required to formally communicate the willingness-to-pay commitments prior to or by the time of its first concept note submission. Data on current government spending and commitments for all diseases supported by the Global Fund and specific commitments for HSS (where relevant) should be reflected in the appropriate table that is linked to the concept note.

The Country Team reviews this information to assess whether the country has met its counterpart financing requirements, and willingness-to-pay commitments agreed during country dialogue. Based on a country's

formal commitments, the country team will confirm the extent to which the country can access the funding dependent on meeting willingness-to-pay commitments. These commitments will also be included in the grant agreement by specifying the annual government investments, expected outputs of the government investments (if applicable) and the mechanism and time-frame for reporting annual government spending.

At the time of making its annual disbursement decision, the Global Fund will review evidence of whether a country has met its minimum counterpart financing requirements and willingness-to-pay commitments.

**Funding from the Global Fund will be adjusted downwards proportionately if a government fails to meet these requirements and commitments.**

**Are there circumstances when a country will not be expected to meet its counterpart financing requirements and willingness to pay commitments?**

In exceptional circumstances, if a country is not in a position to meet its counterpart financing requirements or willingness-to-pay commitments, the country team may recommend an exemption based on strong justifications provided by the CCM. The CCM must also provide a credible action plan for the country to promptly meet all outstanding requirements and commitments. In some cases, the GAC may review the exemption request. Exemptions may be considered in very exceptional cases (such as during an economic or political crisis or where a country is already maintaining contributions significantly above the minimum requirements, but cannot further increase government contributions).

Non-compliance with the minimum counterpart financing requirements or willingness-to-pay commitments without a reasonable justification and a credible action plan will have **negative implications on funding decisions**.



### **Roles and Responsibilities: Counterpart Financing and Willingness to Pay**

#### Global Fund Secretariat (Country Team)

- Communicates the allocation, including the willingness-to-pay component that can be accessed by countries making additional government commitments.
- Reviews prior to country dialogue, the available data and information on government disease/health financing mechanisms, spending and commitments, as well as the overall macroeconomic context. These reviews will also identify issues related to counterpart financing, if any; to be clarified during the country dialogue process.
- Engages in negotiations with country stakeholders on counterpart financing and willingness-to-pay based on pre-country dialogue review and subsequent clarifications from in-country stakeholders.
- Reviews government commitments subsequent to country dialogue and formally confirm the extent to which the willingness-to-pay allocation is available.
- Incorporates government commitments as well as any applicable conditions related to counterpart financing in the grant agreements.
- Monitors annually the realization of government commitments and incorporate counterpart financing as a material part of the Annual Disbursement Review.

Country Coordinating Mechanism. As a multi-stakeholder entity responsible for coordination and oversight of Global Fund support, the Country Coordinating Mechanism has a central role in the implementation of the counterpart financing and willingness-to-pay policies. Specifically, the Country Coordinating Mechanism:

- Ensures that the key stakeholders are engaged in discussions and decisions related to government commitments for the next phase.
- Supports and advocates for government contribution that is in line with need and fiscal space of the government as well as its commitments to the health sector to ensure that the country can avail its full funding allocation.
- Formally communicates government commitments agreed during the country dialogue process to the Global Fund.
- Provides, if there are extenuating circumstances that prevents the government from increasing its contributions over the next phase, a strong justification, for an exemption from the application of the willingness-to-pay adjustment to the allocation.

- Ensures availability of supporting documentation of past spending and future commitments, where applicable.
- Monitors realization of government commitments during grant implementation and reports to the Global Fund on an annual basis.
- Continues to advocate with the government to ensure that commitments materialize during the grant implementation period.

#### Ministry of Health, Ministry of Finance, and other relevant government authorities

- Provides timely and accurate information about government spending for HIV, malaria, tuberculosis and related health system strengthening efforts.
- Contributes funds as committed in its budgets on an annual basis
- Strengthens ability to track and report on expenditures on an annual basis by implementing or strengthening data quality and collection mechanisms.

#### Civil society and in-country partners

- Advocacy for additional government commitments and their realization, in cases where the government does not meet its counterpart financing threshold and willingness-to-pay minimum requirements.



#### **Practical Advice: Counterpart financing and willingness-to-pay**

**Take early steps to address lack of data.** If lack of reliable data on government expenditure is a major issue, work with the Secretariat to take steps to generate the data. This could include a rapid assessment by in-country partners or institutions; and/or embedding National Health Accounts with disease sub-accounts. CCMs may consult with their fund portfolio manager to strengthen data quality by budgeting and reprogramming grant funds up-to USD 50,000 per disease program supported by the Global Fund.

#### **Key Resources**

##### Country Resources

- Health and disease strategy documents
- Medium Term Expenditure Framework (MTEF)
- Government Budgets and Supporting Documents
- Budget Outturns/Obligations
- Government Accounts
- Accounts of Autonomous entities such as NACs/Disease Funds
- Beneficiary Payment Statement of Social Security Spending
- National Health Accounts (NHA) with disease sub-accounts
- National AIDS Spending Assessment (NASA)
- Public Expenditure Reviews (PER)
- Public Expenditure Tracking Surveys (PETS)
- Program Evaluation/Review Reports
- Annual Reports of the Ministry of Health and/or Disease Programs.

##### Partner Resources

- HIV: <http://www.unaids.org/en/resources/documents/2013/name.85053.en.asp>
- HIV: <http://www.unaids.org/en/dataanalysis/monitoringcountryProgress/nasacountryreports/>
- HIV: <http://aidsinfoonline.org/devinfo/libraries/asp/Home.aspx>
- HIV: <http://www.pepfar.gov/countries/cop/>
- TB: [http://www.who.int/tb/publications/global\\_report/en/](http://www.who.int/tb/publications/global_report/en/)
- Malaria: [http://www.who.int/malaria/publications/world\\_malaria\\_report\\_2013/en/index.html](http://www.who.int/malaria/publications/world_malaria_report_2013/en/index.html)
- Malaria: <http://www.pmi.gov/countries/mops/index.html>
- Health: <http://apps.who.int/nha/database/ChoiceDataExplorerRegime.aspx>
- Health: <http://www.who.int/nha/country/en/>
- Disease and Health: <http://www.healthsystems2020.org/section/resources/>
- Macroeconomic Indicators: <http://www.imf.org/external/ns/cs.aspx?id=28>

## Non-Standard Applications

There are four types of non-standard applications that the Global Fund accepts: 1) TB & HIV joint applications; 2) Health system strengthening applications; 3) Regional applications; and 4) Non-CCM applications.

Below we describe each of these applications.

### TB & HIV Joint Applications

The Global Fund recently decided that a single tuberculosis (TB) and HIV concept note that presents an integrated disease program will be required for those countries that have a high burden of co-infection with TB and HIV and are allocated funding for TB and HIV for 2014-16.

#### When is it used?

- The decision applies to the 41 countries which WHO considers as the TB/HIV priority countries that have the highest estimated number of people living with HIV who develop TB. These countries represent 92% of the global burden of HIV- associated TB in 2012. A list of the countries among these 41 that will be eligible for funding for HIV and TB under the new funding model will be released by the Global Fund in the first quarter of 2014.
- Other countries (particularly countries with concentrated and increasing HIV epidemics e.g. in Central Asia and Eastern Europe) are also encouraged to consider joint planning and concept note submission. At a minimum, other countries which plan to request funding for HIV and TB should include TB/HIV collaborative activities in their concept notes, in line with the information provided in the new funding model tools and guidance materials.

#### How is it different from the standard concept note?

- There is a specific concept note template available for applications for TB and HIV programs for countries to which this decision applies. It is closely based on the standard concept note, and has all the same tools (e.g. modular tool, programmatic gap tables and counterpart financing table). The concept note presents prioritized, high impact interventions and activities under both, the TB and HIV program, including a detailed description how these two programs will work jointly to address the burden of co-infection with TB and HIV.
- The Global Fund will follow a similar approach to how it manages its broader grant portfolio recognizing that there is not a one-size fits all and country context is essential. In this, the single TB and HIV concept note is intended to stimulate a country-led dialogue and related decision making leading to better HIV and TB programming, service delivery and health outcomes achieved. This might also entail structural adjustments, where needed. The Global Fund recognizes that the situation might be different for each country that is submitting a single concept note. Countries will therefore determine their own scope and areas of joint programming depending on their local context including the epidemiology of TB and HIV.



#### **Useful documents for completing this section:**

[Ten FAQs on the Global Fund Board decision of a single concept note submission for joint HIV and TB programming](#)

[TB and HIV Joint Concept Note Template and Instructions](#)



## Health Systems Strengthening Applications

Under the new funding model, countries may use the allocation to finance eligible disease programs and HSS. Although the Global Fund encourages countries to allocate a portion of the funding envelope for HSS, it is up to each country to decide, based on needs assessment and/or on national health strategy and plans, whether or not to allocate resources for HSS, what proportion of the total funding envelope to allocate, and how to design the funding request. The following scenarios are available for designing funding requests to the Global Fund:

- (i) Developing concept note(s) for eligible diseases without cross-cutting HSS: countries may request support for HIV/AIDS, TB and malaria programs and may choose not to allocate any portion of the funding envelope for cross-cutting HSS. Such a scenario is envisaged in countries where sufficient resources are available within the three-year allocation timeframe from domestic and other donors' resources to address cross-cutting HSS needs to ensure successful implementation of HIV/AIDS, TB and malaria programs. However, even under this scenario, areas of coordination and integration among the three disease programs should be identified at a planning stage.
- (ii) Including crosscutting HSS module(s) under one or more disease concept notes: if countries identify crosscutting HSS needs, which cannot be resourced by domestic or other donors' resources, they may design crosscutting HSS interventions for the Global Fund's support and may include them under one or more eligible disease concept notes. This scenario is envisaged in countries which choose not to develop a separate HSS concept note for a HSS grant. While such HSS interventions will be managed as part of a disease grant, due to their crosscutting nature their benefits should span beyond the host disease program. Under this scenario, crosscutting HSS funding requests should be developed in close coordination with all disease programs and cross-cutting health sector planners and implementers, not only by the host disease program.
- (iii) Developing a standalone HSS concept note: under the new funding model, eligible countries are given the flexibility to develop a funding request for a standalone crosscutting HSS grant<sup>10</sup>. In this case too, the HSS funding request should demonstrate close linkages with HIV/ AIDS, TB and/or malaria, and the funding request should be developed in close coordination with all three disease programs (broader consultations with other disease programs, such as RMNCH, non-communicable diseases, immunization and others are encouraged).
- (iv) Developing a single HIV & TB concept note: Countries with high rates of co-infection between TB and HIV will submit a single concept note that presents integrated and joint programming for the two diseases. These countries are strongly encouraged to carefully consider crosscutting HSS support needs in order to ensure effective integration of the two disease programs, and where appropriate with malaria program as well.
- (v) Aligning multiple disease-specific concept notes: Some countries may consider preparing concept notes for more than one disease program at the same time in order to better coordinate a broader health response, improve alignment and reduce fragmentation between disease-specific programs. In order to make such an approach successful, countries should have multiple national disease plans well aligned with the broader national health sector strategy, the planning cycles of different national disease programs should be coordinated with each other, and strong health sector governance capacity should exist in order to ensure well-coordinated approach to planning and programming. Those countries feeling prepared to undertake such a joint approach are encouraged to do so, in which case, the critical role of crosscutting HSS interventions should be carefully considered.

The Global Fund prioritizes specific components of the health system for investment. These priority investment areas, described below, have been identified based on an analysis of the Global Fund's grant portfolio, which

<sup>10</sup> Upper-middle-income countries that have a "high" disease burden, as defined in the Global Fund's eligibility policy, are not eligible to apply separately for crosscutting health systems strengthening funding. Upper-middle-income countries with a "severe" or "extreme" burden are eligible. So are all countries in lower income level categories as well.

revealed a number of health system-related risks that directly affect successful implementation of HIV/AIDS, TB and malaria programs. These risks are mostly associated with the following five areas:

- Procurement and supply chain management
- Health management information systems
- Health and community workforce
- Service delivery
- Financial management

The analysis further revealed that most programmatic risks were associated with low performance of the procurement and supply chain management and health management information system components of the health system. Therefore, countries are particularly encouraged to pay attention to these components when undertaking diagnostic assessment of health system needs.

It is expected that focusing on the five areas noted above would facilitate successful implementation of HIV/AIDS, TB and malaria programs and enhance their linkages with reproductive, maternal, newborn and child health programs, thus yielding higher returns on the Global Fund's core investments.

Countries are expected to undertake robust analysis of their own health-system bottlenecks and use the findings as the basis for prioritizing their funding requests. If a country identifies specific health system gaps which require HSS interventions that may not fall within one of the five prioritized areas, the Global Fund allows limited flexibility to address such needs, however strong justification should accompany these requests. For easy reference, the HSS modular tool includes investment categories outside the five priority areas. Justification for such requests will be assessed against the following criteria, with the provision that all the criteria listed below should be met in order for the Global Fund to give proper consideration to supporting the interventions that fall outside the prioritized scope:

- Direct linkages between the proposed activities outside the prioritized scope of HSS activities, and HIV/AIDS, TB and malaria outcomes;
- Clear justification of how the HSS interventions outside the prioritized HSS scope, complement the HSS support proposed under one or more of the priority areas, by maximizing sustainability, efficiency or quality;
- The focus on key populations (e.g. the poor, people affected by diseases, marginalized groups); and
- Justification that no other resources are available from either domestic or other donors' resources.



#### **Useful reference documents:**

[HSS Concept Note Template and Instructions](#)

## Regional Applications

Under the new funding model, the Global Fund will set aside a limited amount of funding for strategically focused regional applications. Regional applicants will have a differentiated process (described below). Regional applicants must clearly demonstrate the value-added of a regional approach and potential for demonstrated impact within a given context.

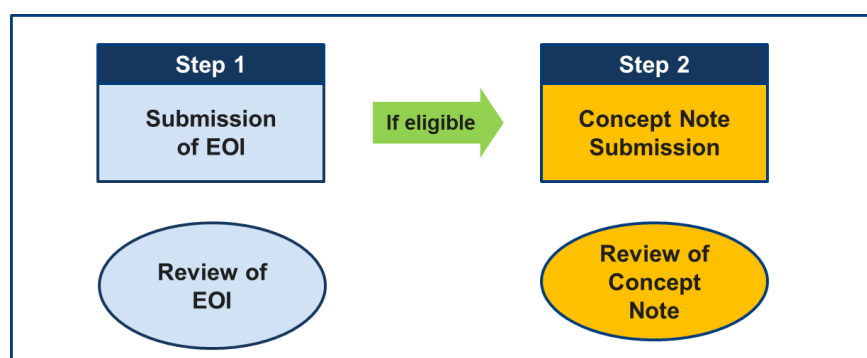
This does not apply to multi-country applicants which are defined as a combined application from small island economies and/or other small countries that typically do not apply as individual countries and are submitted normally through a Regional Coordinating Mechanism. Existing multi-country applicants will not have to submit an expression of interest (as detailed below) and will be communicated an allocation amount which will come from the individual country allocations.

A **regional concept note** is an application from a group of countries within the same geographic region aimed at addressing common issues such as cross-border interventions and structural barriers that impede access to services (e.g. harm reduction, advocacy and policy, drug resistance, migrants and displaced populations, etc.).

The amount of funding set aside for regional applicants during 2014-2016 will be decided by the Board at its 31<sup>st</sup> meeting.

Regional applicants typically will only include activities and interventions that cannot be funded effectively through a country allocation due to their inherently regional nature.

All regional applications, including applications from currently funded regional grants, will follow a two-step application process.



**First step:** Interested applicants will be requested to submit an Expression of Interest, which will request key information on the goals and objectives of the regional initiative, expected impact and outcomes and relevant information on expected implementation arrangements, including any foreseen issues of CCM endorsement. There will be two calls for expressions of interest during 2014-2016 allocation period (April 2014 and April 2015).

The Global Fund Secretariat will review all Expressions of Interest and assess whether all applicable eligibility and regional requirements are met, as well as review the strategic focus of the request. The Technical Review Panel may also be asked to assess these. Only eligible and strategically focused Expressions of Interest will receive an invitation to submit a concept note. At the time of the invitation, the Secretariat will also communicate an indicative funding amount

**Second step:** the development of a regional concept note which will request more detailed information from the applicant on how the funding will be invested strategically to achieve the desired impact and outcomes. The RO and RCM concept notes will be similar to single country disease-specific concept notes.

Regional applicants can choose to submit a funding request that exceeds the indicative amount ('full expression of demand'), yet regional applicants are not eligible for incentive funding.

The concept note will be reviewed by the TRP and the Secretariat.

### Useful documents for completing this section:

[Initial Guidance Note](#)

[RCM Eligibility Requirements](#)

[RO Eligibility Requirements](#)

## Non-CCM Applications

In limited situations, the Global Fund allows concept notes to be submitted by applicants that submit applications separately from the CCM.

Non-CCM applicants are strongly encouraged to contact the CCM in their respective country before completing the concept note template. The applicant is expected to have a good understanding of CCM processes established for the consideration of concept note elements (e.g. whether there was a public tender process, or an expression of interest process, and how proposals would be considered). Ideally the relevant CCM should be asked to consider including the ideas from the Non-CCM applicant as part of a consolidated national concept note.

The Global Fund's website lists the [key contacts](#) for national CCMs.

### Justification for Non-CCM concept note

There are three types of circumstances where a country may apply as a Non-CCM:

1. Countries without a legitimate government;
2. Countries in conflict, facing natural disasters, or in complex emergency situations (identified by the Global Fund through reference to international declarations such as those of the United Nations Office for the Coordination of Humanitarian Affairs); or
3. Countries that suppress or have not established partnerships with civil society and non-governmental organizations. These circumstances include a CCM's failure or refusal to consider a civil society or non-governmental organization proposal, particularly those targeting highly marginalized and/or criminalized groups, for inclusion into the national composite CCM concept note.

**Concept note not endorsed by CCMs for documented technical weaknesses communicated to the non-CCM applicant are unlikely to be accepted as Non-CCM applications.**

Relevant applicants should provide a clear timeline to demonstrate all efforts to participate in the CCM's process to develop a concept note, setting out what submissions were made to the CCM, what reply was received, and what the non-CCM applicant did to work with and/or participate in CCM meetings or concept note development sessions, and all applicable dates.

**When a Non-CCM concept note is received, the Global Fund may contact the relevant CCM to obtain their input on the topics raised, and the Global Fund's decision on eligibility will be final.**

## Appendix 1: Glossary and Acronym List

<b>Above allocation amount</b>	<p>The request to the Global Fund that is over and above the allocation amount communicated by the Secretariat. This request is reviewed by the TRP for technical soundness and strategic focus, which may be recommended for funding through any incentive funding available, and/or kept on a register of Unfunded Quality Demand (see also Incentive Funding).</p>
<b>Additionality</b>	<p>To ensure that national resources already committed to a national program are not displaced or duplicated through funding from an existing grant, it is necessary for applicants to demonstrate that funds requested from the Global Fund are additional to existing available resources.</p>
<b>Allocated funding</b>	<p>Amount allocated by the Global Fund to support an applicant's disease programs for the allocation period. The amount is determined using an allocation methodology based on disease burden and income levels, and is adjusted for qualitative factors. Both allocated and incentive funding are designed to encourage the submission of robust, ambitious requests based on national strategic plans or HIV investment cases.</p>
<b>Board of the Global Fund</b>	<p>The supreme governing body of the Global Fund, with core functions including: strategy development, governance oversight, commitment of financial resources, assessment of organizational performance, risk management, and partnership engagement, resource mobilization and advocacy. Provides final approval of disbursement-ready grant programs.</p>
<b>CCM - Country Coordinating Mechanism</b>	<p>A country-level multi-stakeholder partnership that has overall ownership of and responsibility for concept note development and grant oversight. Usually leads the country dialogue processes and is responsible for the development and submission of a concept note(s). The CCM is also responsible for the oversight of its grants and to ensure that they comply with the CCM requirements and CCM Minimum Standards.</p>
<b>CCM eligibility requirements</b>	<p>Include six eligibility requirements that must be met by CCMs, Sub-CCMs and RCMs in order for their concept note(s) to be considered eligible for technical review by the TRP.</p>
<b>Community systems</b>	<p>Community systems are the community-led structures and mechanisms used by communities, through which community members, community organizations and other community actors interact, coordinate and deliver their responses to the challenges and needs affecting their communities.</p>

<b>Community systems strengthening (CSS)</b>	A way to both improve access to and utilization of health services, as well as increase community engagement in health and social care, advocacy, health monitoring and wider responses to ensure an enabling and supportive environment for health and disease control interventions.
<b>Co-payment mechanism</b>	Eligible countries have the option to allocate grant funding to a mechanism which will allow private sector importers to access subsidized quality-assured ACTs. Based on the lessons learned from AMFm Phase 1, this mechanism complements delivery of ACTs through the public sector. It can be used to meet RBM ACT coverage targets by decreasing prices and increasing availability of quality-assured ACTs in the private sector.
<b>Counterpart Financing</b>	The contribution made by the government of an applicant country to the national disease program.
<b>Counterpart Financing Threshold</b>	The mandatory minimum level of the government's contribution to the national disease program, as a share of total government and Global Fund financing for that disease.
<b>Country dialogue</b>	A national process that builds upon existing, on-going mechanisms and dialogue in health and development in the country. It is not a Global Fund-specific process and includes key stakeholders beyond the CCM constituency including government, donors, partners and civil society.
<b>Country Team</b>	Led and coordinated by the Fund Portfolio Manager, the Country Team is a cross-functional team (including Finance, Legal, Public Health/M&E Officer, and PSM) assigned to the Global Fund grant portfolio. The goal of the country team approach is to enhance collaboration among team members in order to achieve a more effective and efficient oversight of the Global Fund grant portfolio.
<b>Disease burden</b>	Official data provided by the headquarters of the following key partners per disease: UNAIDS (HIV and AIDS), WHO (tuberculosis) and WHO (malaria). For eligibility purposes, disease burden is measured as low, moderate, high, severe or extreme.
<b>Dual-track financing (DTF)</b>	Dual-track financing is the recommended inclusion of both government and non-government Principal Recipients in Global Fund requests for funding and applies separately for each disease.
<b>Early applicant</b>	Applicants that were selected for the transition to the new funding model and tested the full application process.

<b>Eligibility criteria</b>	Criteria set forth in the Eligibility and Counterpart Financing Policy to identify which countries can apply for Global Fund funding, and for which components and under which conditions funding may be requested and accessed (e.g. focus of the proposal and counterpart financing requirements).
<b>Existing grants</b>	Refers to signed grants, unsigned Phase 2 grants or uncommitted Phase 2 amounts and any approved but unsigned proposal (e.g. Round 10 or Transitional Funding Mechanism (TFM)).
<b>Full Expression of Demand</b>	This is the total amount of funding needed to finance a technically appropriate response to the disease(s) (e.g. costed national strategy).
<b>Funding, domestic</b>	In the context of the 'Financial Gap Analysis and Counterpart Financing Table', this refers to all current and anticipated domestic resources to meet the funding needs of the full national disease program. This includes: loans and debt relief, government funding resources, national private sector resources.
<b>Funding, external</b>	In the context of the 'Financial Gap Analysis and Counterpart Financing Table', this refers to all current and anticipated external resources to meet the funding needs of the full national disease program. This can include: grants from international donors/organizations, contributions from the private sector outside the applicant country, etc. Global Fund resources are calculated separately.
<b>Government contribution</b>	In the content of counterpart financing, this is the annual average of that government's spending in the past two years and current government budget for the relevant disease program. Government expenditure is ideally measured as all government spending on the disease program, excluding external assistance other than loans.
<b>Grantee</b>	A "Grantee" refers to the party to an agreement with the Global Fund, who legally receives grant funding to implement a program in a specific country as approved by the Global Fund Board. In the case that the relevant Principal Recipient nominated for such program is a government entity, the grantee will be the "country" (i.e., the Republic of XYZ) itself, in which the program is implemented; if the relevant Principal Recipient is an NGO or a local office of an international NGO, the grantee will be the head office of such NGO. This is to ensure that the grantee is held ultimately responsible for the action or inaction of relevant implementers (Principal Recipients, sub-recipients, etc.) involved in carrying out the program in question. This is also to help enhance the country ownership for programs implemented in any given country

<b>Health Systems Strengthening (HSS) approach</b>	An integrated approach that encourages health system planners and HIV, TB and malaria (and other) programs to coordinate performance assessment of key health system components as a basis for developing funding requests for cross-cutting HSS.
<b>Health system</b>	A good health system delivers quality services to all people, when and where they need them. The exact configuration of services varies from country to country, but in all cases requires a robust financing mechanism; a well-trained and adequately paid workforce; reliable information on which to base decisions and policies; well-maintained facilities and logistics to deliver quality medicines and technologies. <sup>[1]</sup>
<b>Highest Impact Interventions</b>	Within a defined epidemiological context, these are evidence-based interventions that: (a) address emerging threats to the broader disease response; and/or (b) lift barriers to the broader disease response and/or create conditions for improved service delivery; and/or (c) enable roll-out of new technologies that represent global best practice; and (d) are not funded adequately at present.
<b>Impact</b>	The effect (or the contribution) of an intervention toward the reduction or elimination of morbidity and mortality.
<b>Incentive funding</b>	<p>Incentive funding is designed to reward high impact, well-performing programs and encourage ambitious requests. Disease components that are considered significantly “over-allocated” (for which the allocation exceeds their notional formula derived funding by more than 50%) and Band 4 applicants are not eligible to be awarded incentive funding.</p> <p>Incentive funding will be awarded to those eligible applicants who present a technically sound funding request which demonstrates:</p> <ul style="list-style-type: none"> <li>(a) How the proposed investment is strategically targeted to achieve impact;</li> <li>(b) How they will use additional funding to accelerate progress toward MDGs; and</li> <li>(c) How this investment will leverage the mobilization of additional Government and/or other donor resources with the view of achieving rapid impact.</li> </ul>
<b>In-country stakeholders</b>	These include the Principal Recipients, Country Coordinating Mechanisms, Sub-recipients, national governments, in-country development partners, civil society organizations, the private sector, and other entities engaged in the fight against AIDS, TB and/or malaria.

<sup>[1]</sup> As defined by [WHO](#).



<b>Intervention</b>	The Global Fund has adopted the term intervention (and groups them as modules) to describe a group of activities that will contribute to achieving a target of impact. Under the new funding model, the Service Delivery Areas are no longer used, and have been replaced with the modules, interventions, activities and cost inputs.
<b>Joint assessment of national strategies and plans (JANS)</b>	A shared assessment developed by the International Health Partnership (IHP) of the strengths and weaknesses of a national health strategy or strategic plan. The assessment is “joint” in that a single assessment process involves multiple stakeholders including government, civil society and development partners/donors. It is country-led and aligned with existing in-country processes.
<b>Key Populations</b>	The definition in the CCM guidelines defines key populations as: women and girls, men who have sex with men, transgender persons, people who inject drugs, male and female and transgender sex workers and their clients, prisoners, refugees and migrants, people living with HIV, adolescents and young people, vulnerable children and orphans, and populations of humanitarian concern. In addition to these groups: internally displaced persons, indigenous persons, people living with TB and malaria and people working settings that facilitate TB transmissions should also be considered as key populations.
<b>Local Fund Agent (LFA)</b>	Entities contracted by the Global Fund to provide independent information, advice and recommendations based on in-country verifications and review of grant programs financed by the Global Fund.
<b>Minimum Standards for Implementers</b>	Standards that provide all applicants with upfront information on the Global Fund’s expectations for required capacity levels; and that give a clear description of the expected systems and procedures for each critical element of grant management. The Minimum Standards are critical for the assessment of implementers, and correspond to the highest-risk areas of typical Global Fund grants.
<b>Modular Template</b>	A disease-specific, high-level template that consists of an integrated performance framework and budget. It outlines the main goals, objectives, modules, interventions, associated indicators and targets, costs and cost assumptions. The template replaces the performance framework and detailed work plan and budget previously used by the Global Fund.
<b>Most-at-risk populations (MARPs)</b>	<p>MARPs are defined as subpopulations, applying to HIV/AIDS, malaria and tuberculosis, within a defined and recognized epidemiological context:</p> <ol style="list-style-type: none"> <li>i. That have significantly higher levels of risk, mortality and/or morbidity;</li> <li>ii. Whose access to or uptake of relevant services is significantly lower than the rest of the population; and</li> <li>iii. Who are culturally and/or politically disenfranchised and therefore face barriers to gaining access to services.</li> </ol>

<b>National Disease Strategic Plans (NSP)</b>	Disease-specific strategies that provide the overall strategic direction for a country over a period of time (usually five years). These strategies (also called plans in some countries) are further supported by implementation plans (annual, bi-annual or 3 year plans), and other operational documents, including a costed budget.
<b>Portfolio Analysis</b>	Information provided by the Global Fund Country Team during country dialogue which summarizes performance, risk and implementation issues. It includes epidemiological information, the latest data of disease burden, coverage, outcome and impact, an analysis of the current funding landscape, and an assessment of risk. It is meant to provide up-front guidance to the CCM on areas and issues that the CCM should consider when preparing the concept notes.
<b>Principal Recipient (PR)</b>	A legal entity that is responsible for the implementation of a grant, including oversight of sub-recipients, grant funds, and communications with the Local Fund Agent, Fund Portfolio Manager and Country Coordinating Mechanism on grant progress.
<b>Prioritized request</b>	A set of prioritized activities within the allocated funding amount, and a set of prioritized activities above the allocated funding amount, that represent the best investment approach.
<b>Program Review</b>	Periodic, joint evaluations of disease (or health sector) programs and aim to improve the performance of the program in order to reduce morbidity and mortality based on evidence on epidemiological impact and its results chain.
<b>Program split</b>	The split of a country's total funding allocation between eligible disease components and cross-cutting HSS for the allocation period.
<b>Sub-recipient</b>	Entities (government or non-government, big or small) receiving Global Fund financing through a Principal Recipient for the implementation of program activities. They are usually selected among stakeholders involved in the fight against HIV, TB and malaria.
<b>Technical Review Panel (TRP)</b>	An independent, impartial team of disease-specific and cross-cutting health and development experts, appointed by the Board's Strategy, Investment and Impact Committee, to provide a rigorous technical assessment of requests for funding made to the Global Fund. The TRP assesses funding requests for strategic focus and technical merit and makes funding recommendations.

**Unfunded Quality Demand**

Funding requested through a concept note which is considered technically sound by the TRP but above the funding amount available (i.e. allocated funding and any additional incentive funding awarded), which is registered up to three years for possible funding by the Global Fund or other donors when, and if, new resources become available.

**Willingness-to-Pay Commitment**

To encourage countries to increase national funding beyond the minimum counterpart financing requirements, 15 percent of the allocation amount can be accessed when a country commits additional, and increasing, co-investments in disease programs in accordance with their ability to pay; and/or realization of existing government commitments.

**List of commonly used abbreviations:**

AIDS	Acquired Immune Deficiency Syndrome
AMFm	Affordable Medicines for Malaria
ART	Antiretroviral therapy
ARV	Antiretrovirals
CCM	Country Coordinating Mechanism
CSS	Community Systems Strengthening
DOTS	Directly Observed Treatment Short Term
EOI	Expression of Interest
FPM	Fund Portfolio Manager
GAC	Grant Approvals Committee
HIV	Human Immunodeficiency Virus
HSS	Health Systems Strengthening
JANS	Joint Assessment of National Strategies
LFA	Local Fund Agent
LLIN	Long-lasting insecticidal net
LMIC	Lower Middle Income Country
MDG	United Nations Millennium Development Goals
MDR	Multi-drug resistant
M&E	Monitoring and Evaluation
MoH	Ministry of Health
NAC	National AIDS Committee/Council
NGO	Non-governmental organization
NMCP	National malaria control program
NSP	National Strategic Plan
NTP	National tuberculosis control program
PMTCT	Prevention of Mother to Child Transmission
PPTCT	Prevention of Parent to Child Transmission
PR	Principal Recipient
PSM	Procurement and Supply Chain Management
RBM	Roll Back Malaria
RMNCH	Reproductive, maternal, newborn and child health
RDT	Rapid diagnostic test
RST	Regional Support Teams
SIIC	Strategic, Investment and Impact Committee
SR	Sub-recipient
TB	Tuberculosis
TRP	Technical Review Panel
TS	Technical Support
TSF	Technical Support Facility
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
UMIC	Upper Middle Income Country
WHO	World Health Organization

## Appendix 2: Accessing Technical Support for the Development of National Strategic Plans

This appendix provides information on how Country Coordinating Mechanisms (CCMs) can find support for the development of National Strategic Plans (NSPs) by disease areas and on the Joint Assessment of National Strategies (JANS) tool.

### HIV/AIDS

There are several mechanisms to support the development of national-level strategies. The Joint United Nations (UN) Programme on HIV/AIDS (UNAIDS) and its co-sponsors have recently updated their guidance on national strategic frameworks, “The national HIV strategies and implementation for results: Guidance for 2015 and beyond,” scheduled for release shortly. This document provides tools to help CCMs develop convincing investment cases for national HIV programs. It also provides recommendations to help address the most difficult allocation choices and the prioritization of investments required for impact.

Other UN agencies provide critical technical inputs in key areas:

- The UN Children’s Fund (UNICEF) and the World Health Organization (WHO) as co- conveners of the Inter-Agency Task Team (IATT) for the prevention of HIV infections in pregnant women, mothers and their children; and
- The UN Population Fund (UNFPA) and the UN Development Programme (UNDP) for integration of HIV with reproductive, maternal, newborn and child health (RMNCH) and gender and human rights.

The WHO and UNAIDS have regional structures to support CCMs in developing or strengthening their NSPs, including regional and in-country offices, the regional support teams (RST) and the UNAIDS Technical-Support Facilities (TSFs).<sup>11</sup> CCMs can contact the appropriate WHO or UNAIDS regional or country office to request support, or can request further information through their Fund Portfolio Managers (FPMs).

### Tuberculosis

Applicants developing TB-specific NSPs can obtain support from the Stop TB Partnership's TB Technical Assistance Mechanism (TBTEAM). TBTEAM draws on a network of technical partners from the Interagency Coordinating Committees, Stop TB Partnerships or otherwise named TB partner coordination bodies, as well as all technical bodies of the Stop TB Partnership (e.g., the Green Light Committee, the Global Laboratory Initiative, the Global Drug Facility, and TBCARE). TBTEAM organizes training workshops for the managers and other staff of national TB-control programs (NTPs) and supporting partners on the key principles and components of NSPs including budgets and cost-estimation with the WHO planning and budgeting tool<sup>12</sup>. Participants in these trainings prepare their draft plans and share them with stakeholders and partners in the field for feedback and additional information as required. TBTEAM and its partners provide follow-up support until the NSPs are finalized. TBTEAM also facilitates the development of NSPs through technical assistance provided by registered consultants based on requests from implementers<sup>13</sup>. CCMs can contact TBTEAM directly through the Stop TB Partnership website,<sup>14</sup> or can convey requests for further information through their FPM.

<sup>11</sup> [http://www.unaids.org/en/media/unaids/contentassets/documents/programmes/programmeeffectivenessandcountrysupportdepartment/TSF\\_en.pdf](http://www.unaids.org/en/media/unaids/contentassets/documents/programmes/programmeeffectivenessandcountrysupportdepartment/TSF_en.pdf)

<sup>12</sup> [http://www.who.int/tb/dots/planning\\_budgeting\\_tool/download/en/index.html](http://www.who.int/tb/dots/planning_budgeting_tool/download/en/index.html)

<sup>13</sup> <http://www.stoptb.org/countries/tbteam/>

<sup>14</sup> <http://www.stoptb.org/countries/tbteam/>

## Malaria

The Roll Back Malaria Partnership (RBM) urges all partners to provide support to national programs in line with the principles of harmonization, alignment and the “Three Ones” (i.e., one coordinating mechanism, one strategy and one monitoring-and-evaluation [M&E] approach in each country). WHO recommends that all countries undertake a comprehensive malaria-program performance review (MPR) as a first step in developing or updating evidence-based malaria strategic plans (MSP) and M&E plans. Together, these processes and the resulting costed strategic plan form the heart of the Malaria Investment Toolkit, which allows for a bottom-up, country-driven approach. Tools for the implementation of MPRs, MSPs and M&E plans are available to guide national programs. To facilitate partner coordination and gap analysis, WHO also recommends the development of a multi-year implementation/business plan, as well as an annual operational plan. A set of consensus-based tools aid efforts, including the *Global Malaria Action Plan* (GMAP), WHO technical recommendations, the *WHO MPR Manual*, the *WHO National Strategic Plan Development Manual*, and other tools developed by the RBM Harmonization Working Group to analyze remaining commodity, financial and programmatic gaps. The active link to the Malaria Investment Toolkit will be communicated once it is available. CCMs can contact RBM's Country Support team<sup>15</sup> or the Co-Chairs of RBM's Harmonization Working Group directly for support,<sup>16</sup> or can communicate their requests through their FPM.

### Joint Assessments of National Strategies (JANS)

The Joint Assessment of National Health Strategies, or JANS, is an approach to assess the strengths and weaknesses of NSPs. It is a shared approach where country stakeholders and development partners carry out an independent assessment of a NSP against an internationally agreed set of criteria laid out in the JANS tool and guidelines.<sup>17</sup> Countries have conducted JANS to improve the quality of their NSPs, to increase donor confidence, to inform decisions about funding, and to reduce transaction costs for governments dealing with multiple partners with separate assessments. From a Global Fund perspective, conducting a JANS may lead to increased confidence in a funding request and possibly, a higher chance of receiving incentive funding.

JANS are country demand driven and country-led, and build on existing country planning processes. They should have a strong independent element that includes people who were not involved in developing the NSP, and should involve civil society, key populations and other stakeholders in the health sector. One part of the assessment is to look at the nature and degree of multi-stakeholder involvement (including civil society and key populations) in the national planning process, and to make recommendations on how to improve this. The main output of a JANS is an analysis of the strengths and weaknesses of the plan, which can be used to help strengthen the NSP during its development or review.

The JANS Tool and Principles can be applied either to a national health sector strategy, or to a national disease strategy. Assessing these strategies does not mean just reviewing the strategy document itself, but also includes the various documents and procedures which underpin the strategy, including technical policy documents, sub-sector plans, strategies for strengthening human resources or health financing, budget frameworks, financial and procurement regulations, and monitoring and evaluation (M&E) plans.

<sup>15</sup> <http://www.rbm.who.int/mechanisms/partnershipsecretariat.html>

<sup>16</sup> <http://www.rbm.who.int/mechanisms/hwg.html>

<sup>17</sup> <http://www.internationalhealthpartnership.net/en/key-issues/national-health-planning-jans/>