The Global Fund New Funding Model

June 2014
The Global Fund: A Unique Public Private Partnership

DONORS
- Donor Govts/Development Agencies: JICA, USAID, DIFD, GTZ etc
- Foundations: Bill & Melinda Gates Foundation, Clinton Foundation
- Corporations: JICA, USAID, DIFD, GTZ etc

PUBLIC
- Developing Countries Govts: Ministries of Health

PRIVATE
- Int’l and Local NGOs
- People Affected by Diseases
- FBOs

RECIPIENTS
The Global Fund Strategy 2012-2016: “Investing for impact”

**Vision**
A world free of the burden of HIV/AIDS, tuberculosis and malaria with better health for all

**Mission**
To attract, manage and disburse additional resources to make a sustainable and significant contribution in the fight against AIDS, tuberculosis and malaria in countries in need, and contributing to poverty reduction as part of the MDGs

**Guiding principles**
- Being a financing instrument
- Additionality
- Sustainability
- Country ownership
- Multi-sectoral engagement
- Partnership
- Integrated, balanced approach
- Promoting human right to health
- Performance-based funding
- Good value for money
- Effectiveness and efficiency
- Transparency and accountability

**Goals**
- 10 million lives saved* over 2012-2016
- 140-180 million new infections prevented over 2012-2016

**Strategic objectives**
1. Invest more strategically
2. Evolve the funding model
3. Actively support grant implementation success
4. Promote and protect human rights
5. Sustain the gains, mobilize resources

* Based on impact of provision of ART, DOTS and LLINs using methodology agreed with partners.

- **Antiretroviral therapy (ART)**
- **DOTS**, the basic package that underpins the Stop TB strategy
- **Insecticide treated nets**

**Source:** Global Fund Grant Data
Principles of the Global Fund new funding model

The new funding model has been designed to bring the Global Fund strategy of “investing for impact” to life. The new model will improve the way the Global Fund assesses, approves, disburses and monitors grants.

- **Bigger impact**: focus on countries with the highest disease burden and lowest ability to pay, while keeping the portfolio global
- **Predictable funding**: process and financing levels become more predictable, with higher success rate of applications
- **Ambitious vision**: ability to elicit full expressions of demand and reward ambition
- **Flexible timing**: in line with country schedules, context, and priorities
- **More streamlined**: for both implementers and the Global Fund
Global Fund new funding model cycle

Countries can apply anytime in 2014-2016 – identify now when funds are needed for each disease
Grant funds will run to the next replenishment in 2017 at least

1. National Strategic Plan/Investment Case
2. Concept Note 2-3 months
3. TRP
4. GAC
5. Grant Making 1.5-3 months
6. 2nd GAC
7. Board
8. Grant Implementation 3 years
National strategic plans (NSPs): The basis for Global Fund funding

Grant funds may be reprogrammed to support NSP development, especially data strengthening.

* or investment case
The Global Fund Allocation: Approach

The allocation amount, as communicated by the Global Fund, includes 15% that is only accessible based on additional government investments.

### Allocation formula

- Disease burden
- Income level
- External financing
- Minimum required level

### Qualitative factors

- Grant performance
- Impact
- Increasing infection rate
- Absorptive capacity
- Risk

### Example:

- US$ 90 million
- US$ 100 million

= 15% of which accessible based on willingness-to-pay

US$ 85 million + Maximum US$ 15 million for willingness-to-pay
## The Global Fund Allocation for Nigeria

<table>
<thead>
<tr>
<th>Disease Component</th>
<th>Existing Funding (US$)</th>
<th>Additional Funding (US$)</th>
<th>Total Allocation as of 1 January 2014 (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>HIV</td>
<td>243,341,872*</td>
<td>234,043,479</td>
<td>477,385,351</td>
</tr>
<tr>
<td>Tuberculosis</td>
<td>42,802,070</td>
<td>117,737,008</td>
<td>160,539,078</td>
</tr>
<tr>
<td>Malaria</td>
<td>183,228,856</td>
<td>316,261,563</td>
<td>499,490,420</td>
</tr>
<tr>
<td>Total</td>
<td>469,372,798</td>
<td>668,042,050</td>
<td>1,137,414,849</td>
</tr>
</tbody>
</table>

15% of the total allocation is available only when willingness-to-pay/increase in funding for health over the coming years is demonstrated.
National strategic plans (NSPs): The basis for Global Fund funding

Before assessment

National strategic plan

Epi analysis & program review

Robust NSP

NSP Assessment

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* or investment case
Private Sector opportunities to support Nigeria

The New Funding Model sets opportunities to more effectively engage the private sector and non-traditional public sources and attract additional financial contributions to support specific priorities of our implementing countries.
The Business Case for Action

The private sector has a big stake in the fight against AIDS, TB and malaria epidemics. Engaging in this fight affects their business in different ways through:

• Higher productivity
• Lower costs
• Higher profits and return on investment
• Stronger relationship with local communities and credibility with governments
• Greater public Corporate Social Responsibility visibility

Businesses have proven to be an effective partner; by using their comparative advantages they can mobilize:

- **Social investment** - Support programs by contributing resources, expertise and other in-kind contributions.
- **Core business operations and value chains** – Introduce health-related programs in the workplace, upstream supply chain, customer networks, and among peer industry groups.
- **Public advocacy and policy dialogue**

- Greater **RESOURCES**
- Higher **EFFICIENCY**
- Broader **REACH**
Current Partnerships

- Advocacy & Governance
- Contributor of Resources
- Pro bono Goods & Services
- Grant Implementer