THE NEW FUNDING MODEL

FREQUENTLY ASKED QUESTIONS (FAQs)

1. *Why is the Global Fund adopting a new investment model?*

The Global Fund needs to invest more strategically, to make the most of its resources and maximize the impact and value-for-money of its grants. This new approach, part of a broader change to a new business model, will allow the Global Fund to rebalance and manage its portfolio proactively, to focus investments on the right interventions, in the right countries and on the right populations. Its method of allocating funds also needs to be simpler, more flexible, and more aligned with the priorities and national strategies of its implementers. The new funding model will provide implementers with more predictability, so they can plan their programs better.

2. *What are the advantages of this new approach?*

The new business model should increase the ability of the Global Fund and its implementers and partners to help change the trajectory of three of the world's most deadly diseases, through four main improvements:

- More-systematic dialogue with implementers and partners about national planning processes and on-going grants, to maximize the health impact of these resources;
- Increased focus on investing in national strategies, and moving away from Global Fund-specific projects and grants, including by creating incentives that could lead more countries to adopt national strategies that can serve as the basis for investment decisions;
- Improved chances for implementers to gain access to the resources they request; the new funding model will be more oriented towards helping applicants to a "yes"and
- Emphasis on countries with the highest disease burden and the least capacity to mount an aggressive response, while still remaining global.

3. *How will the new system differ from the previous model?*

First, the new funding model will not change the Global Fund's commitment to performance-based funding. Programs that demonstrate evidence of effectiveness, value-for-money and progress towards impact can expect to see their financing renewed or extended in the new business model.

Second, the new funding model will not change the Global Fund's multi-sectoral approach. Civil society will remain remain central to the model, including in the role of Principal Recipient (PR).

Under the new model, applying for funding will build upon an extensive, multi-sectoral ***Country Dialogue*** between implementers (including both Goverments and non-governmental organizations), civil society, partners and Global Fund staff, which would provide Country Coordinating Mechanisms (CCMs) with inputs for developing a ***Concept Note*** that identifies the goals and approach of a program. Wherever possible, the Country Dialogue will take advantage of existing processes and channels of communication, to be as inclusive as possible while avoiding duplication, and will not focus exclusively on access to Global Fund resources. We expect that this process will be shorter than previous process of applying for new funding. Applications now will receive on-going feedback, which should improve the overall success rate of applications.

Instead of one annual Round of funding for all applicants, in the new model implementers will be able to apply for financing at any time convenient to them. Once within each three-year allocation period, implementers will be able to apply for funding for each disease for which they are eligible. Through one common process, implementers will have access to two streams of funding. The larger and more-predictable one is an **indicative funding** stream, based on an allocation to countries. The second is competitive **incentive funding** to reward ambitious, high-quality expressions of full demand, based on robust National Strategic Plans or investment cases, and well-performing programs with a potential for increased, quantifiable impact.

In the new funding model, the Secretariat will also maintain a register of **unfunded quality demand** that the Global Fund and others can consider for future funding, should additional financing become available.

4. How will the Global Fund's Board allocate resources under the new funding model?

Allocating resources will involved three steps:

1. First, the Secretariat will split the total projected available funding between the three diseases, initially based on the historical distribution of the Global Fund's portfolio; (The methodology for determining the disease split will change to a more demand-based one by the end of 2013);
2. The Secretariat will then use an allocation formula will to calculate the shares per disease for each country. The Secretariat will adjust these shares for external financing and, if necessary, a transitional provision to ensure the Global Fund's financial commitments in some countries do not fall below a minimum required level over the allocation period; and
3. The Board will then apportion resources to groups of countries, or "Bands," based on the sum of the country shares produced by the allocation formula.

After this initial allocation, the Secretariat will use qualitative factors to adjust the indicative funding amount for each country. In the coming months, the Secretariat will refine the exact methodology for when and how to use these factors.

5. What are the factors in the allocation formula?

The allocation formula is based on a country's share in the global disease burden and its Gross National Income (GNI) *per capita*.

6. Does this mean the GF would be financing only on the basis of a formula?

No. The formula would be just a starting point. After the formula produced initial allocations, the Secretariat would use qualitative factors to adjust the indicative funding amount for each country. These factors would be evaluated against each country's specific context, with rigor and transparency, and could lead to both upward and downward adjustments. The qualitative factors would include the following:

i. Major sources of external financing;[1]
ii. Minimum funding levels;[2]
iii. "Willingness to pay";
iv. Past program performance and absorptive capacity; and
v. Risk.

7. How long would it take for money to flow under the new funding model?

Money would flow to implementers in several different ways over the course of 2013 and 2014, until the full roll-out of the new funding model.

First, it is important to remember that the ongoing operations of the Global Fund will continue as planned and budgeted, especially Phase-Two renewals and disbursements to grants under the Transitional Funding Mechanism.

Second, implementers included in the transition to the new funding model would receive money during 2013 and early 2014, although almost all through existing grants, in the form of renewals and top-ups, to facilitate rapid disbursement and immediate impact. For practical reasons, very little money in the transition would flow in the form of new grants. The amount of funds included in the transition would depend on the recommendation of available uncommitted assets made to the Board by the Finance and Operational Policy Committee (FOPC) before the end of 2012.

Improved through lessons learned through the transition phase, the next funding opportunity for most CCMs would start with the launch of the new funding model. The timing for this would be determined by when additional funding is available through the replenishment (end of Q3 2013). This means new grants would likely be signed in the second half of 2014, after Concept Notes have undergone review by the Technical Review Panel and passed through the grant-making process. Even with the new procedures, we must recognize that grant-making will still require time and preparedness, both by the applicant and the Secretariat.

It is important to note that if a grant were ready to be signed sooner than Q3 2014, especially if a CCM has submitted an excellent Concept Note, then funds could flow earlier. In addition, the Secretariat intends to pursue with the Board the authority for the early release of funding in some cases, to allow for the disbursement of funds for defined priority purposes (such as procurement of drugs or capacity-building to solve management weaknesses of a Principle Recipient) before signature of a grant.

8. What would the proportion be between indicative and incentive funding?

The Strategy, Investment and Impact Committee (SIIC) recommends that the Board decide the required resource levels to meet the applicants' prioritized needs through the indicative

[1] This criterion would first be applied prior to aggregating resource allocations to the level of Bands, but would be revisited during and after the Country Dialogue.
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funding ranges. The SIIC then suggests the Board apportion to the incentive funding the difference between prioritized needs and the amount of available assets identified at the start of each allocation period. The SIIC will present additional principles to guide the division between indicative and incentive funding, including a final definition of "prioritized needs," for consideration by the Board at its Twenty-Ninth Meeting.

9. *What will the role of Country Coordinating Mechanisms (CCMs) be in a new funding model?*

CCMs will continue to be the primary entity responsible for submitting applications for new funding and overseeing grants. CCMs will have the task of aligning the timing of application requests to national cycles, and of ensuring an appropriate balance across the three diseases (and investments in health- and community-systems strengthening).

The Global Fund will continue to accept, in limited circumstances, proposals not submitted through CCMs ("non-CCM proposals"), and regional proposals.[3]

The Secretariat will make special efforts to support and encourage civil-society groups that are not currently part of CCMs to participate in the Country Dialogue process, in the development of Concept Notes and as stakeholders of funded programs.

GRANT ARCHITECTURE

10. *How long will grants last under the New Funding Model?*

Today grants are typically for five years, with two distinct phases of funding separated by a "Phase 2" or "Periodic" review. Most grants are currently renewed at the two-year mark, after undergoing a review of the progress toward outcomes, and to make necessary adjustments to implementation arrangements and to the focus of interventions.

The Global Fund's *Strategy 2012-2016* calls for a single, streamlined process for accessing funding, to remove the inefficiencies of having separate channels for new applications and the renewals of existing grants. In the new model, grants will last three years, with flexibility to allow the Secretatriat to commit financing for shorter or longer durations where warranted. A three-year time period will eliminate the need for the Phase 2 renewal and the cumbersome related negotiations.

11. *Will the the new funding model affect the Comprehensive Funding Policy?*

This has yet to be decided. The current Comprehensive Funding Policy defines the Global Fund's financial obligations to its grants in terms of an initial two-year commitment and three, subsequent, one-year commitments (known as "1+1+1").

12. *How will the new funding model match contributions from donors to grant commitments?*

The new funding model provides for a fixed, three-year allocation period, aligned with the Global Fund's replenishment cycle, with three-year grants and a rolling, six-year forecast of

[3] As determined in the Policy and Eligibility Criteria, Counterpart Financing Requirements and Prioritization of Proposals for Funding from the Global Fund (known as the Eligibility, Counterpart Financing and Prioritization Policy, or ECPF), http://www.theglobalfund.org/en/board/meetings/twentythird/documents/, attachment to GF/B23/14.

assets. The Secretariat would apply the allocation model once every three years, based on the latest resource projections available at that point in time. The Secretariat would update the data points for disease burden, "ability to pay" and other factors that comprise the allocation formula on a three-year cycle. Applicants could request funding at any given time during an allocation period and, if successful, would be awarded grants of a three-year duration, which would not have to be aligned with the allocation period on a calendar-year basis. As is the case now, subject to performance, unspent funds would be available in the next allocation period.

Because each allocation will take into account the most-reliable, three-year outlook of income available at the beginning of each replenishment cycle, applicants would have greater funding predictability that would remain constant over the three years. Applicants would be able to request funding for different disease components and health- and community-systems strengthening (HCSS) in different years.

13. Will the six-year, rolling forecast be used to provide a longer-term indication of funding levels to applicants?

To provide a measure of greater predictability to both the Board and implementers, the Chief Financial Officer at the Secretariat will establish a rolling, six-year forecast of expenditures and available, uncommitted assets, beginning in 2013. This forecast would give applicants a general sense, without guarantees, of how much might be available to them for the continuation of programs beyond three years.

14. When you say that the model will allocate both committed and uncommitted assets, does this mean that the Global Fund will take away current grants?

No. To determine how much new money to allocate among countries, the formula must account for the resources implementers already have or are projected to have, based on grants previously approved by the Board.

However, some countries' share of the Global Fund's overall portfolio will go down over time, which could mean less additional funding in the future for them.

15. How would the cycle of funding work if implementers applied in the second or third year of the allocation period?

So as to not create perverse incentives and a rush in the first year of the allocation period, the Secretariat would hold the indicative funding amounts for countries until they apply. Therefore, applicants could request funding at <u>any</u> time during a given allocation period. If successful, they would be awarded grants of a three-year duration, which they would not have to spend within three years. A grant awarded in year two or three of the allocation period would still be three years in length.

As is the case now, unspent funds would be available in the next allocation period, subject to performance.

16. How would the new funding model allow for the "refreshing" of grants if circumstances change in the middle of an allocation cycle ?

The new funding model would provide the flexibility to the Secretariat to respond strategically to changing circumstances in individual countries (caused by advances in technology or shifts in drug regimens, for example). Improvements to the re-programming procedures, currently undergoing finalization by the Secretariat, should allow for morenimbler recalibration of grants even in 2013, during the transition phase to the new funding model.

17. How is external financing used as a variable in the allocation of funds, bearing in mind it can change over time?

Major sources of external financing would be a qualitative criteria in the allocation of funds, considered before, during and after the Country Dialogue to determine indicative funding ranges. Generally, external funding is predicted over a three-year period, since, in most cases, donors provide an estimate of at least three years of funding. We expect that all major donors will be part of the Country Dialogue, to minimize the risk of under- or overestimating the other large sources of external financing besides the Global Fund.

18. What is the process to move countries that are "overfunded" according to the formula towards lower funding levels?

In the short to medium term, the allocation methodology would provide minimum levels to ensure indicative funding in "overfunded" countries decreases responsibily over time. The expectation is that, gradually, domestic sources would take over from Global Fund funding in those places.

15. Will the Global Fund continue to pursue the grant-consolidation approach undertaken over the last few years?

Yes, where applicable. In cases in which applicants already have an on-going grant when they request financing under the new funding model, they would have to present a consolidated request which, if approved and applicable, would translate into a single stream of funding (i.e., a consolidated grant), by PR. The new model should allow for even greater streamlining of funding, as programs based on National Strategies replace more narrow, project-based funding in many places.

ALLOCATION TO BANDS

19. What are "Bands"? Why does the new funding model use them?

A "Band" is a group of countries. Bands are a tool to help manage resources broadly. The grouping of countries has the objective of allowing the Board to shape the profile of the Global Fund's portfolio, to ensure it is consistent with the organization's objectives and *Strategy*. Bands also allow for fair competition for incentive funding, as well as management flexibility in adjusting funding within a Band based on qualitative factors.

20. How would Bands be set up?

The SIIC is recommending a system of four Bands, organized by a combination of country income levels (using Gross National Income *per-capita* according to the World Bank) and a measure of disease burden. One of the four Bands would be a "Targeted" Band that would focus resources on most-at-risk populations (MARPs) in the included countries. The "Targeted " band would aim to assist underserved, vulnerable groups amid concentrated epidemics, and also to keep the Global Fund's portfolio global.

21. What is the strategy behind setting up Bands?

The key design principles for establishing the recommended Bands were the following:

i. **Sufficient critical mass:** Each Band should have a large enough number of countries and sufficient resources to enable flexibility within it;
ii. **Logical coherence within each band:** As the incentive funding introduces a need for comparison between applications, countries in each Band should be roughly comparable;
iii. **Bands should not be disease-specific**, as a country should only be part of one Band; and
iv. **Simplicity:** The system should be easy to communicate and implement.

22. Could countries within a Band change, or move to another Band?

Yes, once every three years. The Board will decide on how to divide countries into Bands, the composition of which would not change within an allocation period. The system will be flexible enough so that countries that have changed income levels or have updated disease data could move between Bands in the subsequent allocation period, subject to the Board's approval. If the countries in a Band changed, so would the amount of funding in that Band.

23. Will the up-front global disease split result in the same proportion of disease split in the allocation to each country?

No. Applicants will be able to propose how to divide their indicative funding between the three diseases, in one or more Concept Notes.

24. What metrics does the formula use to measure disease burden?

The allocation formula will be based on two country-level variables: "ability to pay" and disease burden in the three diseases.

The Secretariat is currently working together with technical partners to develop the most appropriate method to account for the burden within each disease. Variables currently used in simulations are based on the Board-approved ECFP and initial consultations with technical partners:

i. For HIV: estimated number of people living with HIV;
ii. For TB: number of notified TB cases, as well as multi-drug-resistant and TB/HIV co-infected cases; and
iii. For malaria: a combination of malaria deaths, cases, and population at risk, based on year 2000 pre-scale-up data.

25. What would happen if the balance between the three diseases in a country's Concept Note is not in line with the notional allocation from the formula?

The split of Global Fund funding between the three diseases is primarily intended to ensure adequate funding allocation to the Bands based on the relative disease burden of the countries. In addition, it can inform the Country Dialogue, in discussion with an applicant, before the submission of a Concept Note. Should a Concept Note propose a substantial departure from what the allocation method suggests for funding among the diseases, the Secretariat and technical partners could raise this issue in the Country Dialogue. The Global Fund's independent Technical Review Panel (TRP) might also assess the balance between the three diseases during its evaluation of Concept Notes.

26. Could applicants find out which other countries are in their Band and see the data that went into the formula? What would happen if they disagreed with the values?

The formula will use data reported through official channels to international organizations, and applicants will be responsible for ensuring that relevant institutions are using the most-updated data. Once approved by the Board, the allocation to Bands of countries would be publically available information. Should an applicant be unclear or disagree with its inclusion in a given Band, it should contact the Secretariat to clarify.

27. How would the model consider funding to strengthen health and community systems?

The Board has not yet discussed specific proposals on how this would work. One option is that all applicants could spend up to a fixed percentage of their allocated resources on health- and community-systems strengthening.

28. How would the approach to allocations differ for countries that are in a "Targeted" Band?

The SIIC proposes that a fixed amount of funding would be allocated to countries in the "Targeted" Band to address MARPs, subject to a TRP-approved Concept Note. The fixed amount would be in proportion to a country's total population.

29. How would "MARPs" be defined in this context?

For the purposes of the transition to the new funding model, "MARPs" will be defined as subpopulations, applying to HIV/AIDS, tuberculosis and malaria, within a defined and recognized epidemiological context:

i. that have significantly higher levels of risk, mortality and/or morbidity;
ii. whose access to or uptake of relevant services is significantly lower than the rest of the population; and
iii. who are culturally and/or politically disenfranchised and therefore face barriers to gaining access to services.

30. How would proposals that do not come from Country Coordinating Mechanisms (CCMs) be financed in this context?

Financing for eligible non-CCM proposals would most likely need to come from the overall allocation to a Band.

31. What about regional proposals (especially where the participating countries are part of different Bands)?

Regional initiatives would most likely be accommodated through the allocations of indicative funding to the constituent countries. This maintains the approach that multi-country applications must, in any event, carry the endorsement of the constituent country CCMs. In this way, the participating countries would not have to be from the same Band.

32. Why is the SIIC not recommending to use a country's "willingness to pay" as an input into the formula?

"Willingness to pay" could be measured by the proportion of a Government's expenditure that is spent in the health sector. However, for many countries, the published data for Government expenditure on health also include budget contributions from external funders. Lack of appropriate data for all countries renders this input problematic for the formula, but the Secretariat definitely intends to use it as an input during and after the Country Dialogue for later, qualitative adjustments to indicative funding ranges.

32. Would the allocation formula include a maximum funding level or cap for very large countries?

Yes. Maximum shares are a way to avoid that only a few countries with the highest disease burden and lowest income level would attract the lion's share of resources, which would not be consistent with the SIIC-recommended principle of "global reach" for the allocation methodology. The use of maximum shares in an allocation formula also is common practice among most of the peer organizations that have introduced an allocation model and that the Secretariat reviewed as part of its benchmarking study. The Secretariat would propose the exact percentage for such a maximum funding when it reviews the final details of the allocation formula with the SIIC before the full roll-out of the new funding model.

ALLOCATION TO COUNTRIES: INCENTIVE FUNDING

33. Would all countries be eligible for incentive funding and/or would applicants have to submit a Concept Note based on a National Strategy/investment case to receive this funding?

Many of the details will be established during the course of 2013, ahead of the full implementation of the new funding model. However, the Secretariat has considered that certain approaches would be necessary to make the awarding of incentive funding most feasible:

i. The Secretariat could provide the TRP with an assessment of how much indicative and incentive funding should go to an applicant, and the TRP should make a recommendation on the two streams of funding at the same time;;

ii. All applicants in a Band should be eligible for incentive funding, although there should be no guarantee that they would receive it;

iii. Incentive funding should be available throughout the allocation period, and the timing of applicants' submissions should not affect the decision (in other words, it will not be decided on a "first-come, first-served" basis);

iv. The Secretariat should apportion the incentive funding to each of several TRP review windows per Band per year (See Question 51 below.); and

v. Within a window, incentive funding should be awarded based on the comparative merits of the applicants' Concept Notes.

34. How would the incentive stream function in the case of a three-year allocation period?

Implementers would be eligible for incentive funding for whichever TRP review window in which they chose to apply. The amount of incentive funds available for a particular window would be based on the proportion of available indicative funding requested in that window within a Band.

ALLOCATION TO COUNTRIES: UNFUNDED QUALITY DEMAND

35. What would happen to approved Concept Notes (or parts of Concept Notes) if the Global Fund does not have enough money to finance all of them in a given allocation period?

The Secretariat will develop a mechanism (referred to as "register" in the Board paper on the new funding model) to hold those Concept Notes (or parts of Concept Notes) that have received a positive recommendation from the TRP but for which the Global Fund does not have enough money to finance immediately ("unfunded quality demand"). Applicants with "unfunded quality demand" should not view this as an entitlement for further financing from the Global Fund, and would be strongly encouraged to seek other sources of financing from other donors.

36. How long could a Concept Note sit in the register before expiring?

The Secretariat is likely to establish a time limit, because country situations and the relative effectiveness of interventions change in the medium term. The current thinking is 18 months.

37. How would the register get funded?

Concept Notes or elements of Concept Notes on the register would have to wait for additional financing to become available, either from the Global Fund or other donors. The Global Fund would prioritize this demand for future funding should additional resources become available, as well as invite other donors to finance this demand directly. The Secretariat will determine how to prioritize and award financing to unfunded quality demand, and will present this methodology to the SIIC and/or the Financial and Operational Performance Committee, as appropriate, for approval prior to the full implementation of the new funding model. This methodology for prioritizing and awarding financing to unfunded quality demand will follow these principles:

i. **Ambition.** Additional funding should foster quality expressions of full demand to address the totality of the response to a disease;

ii. **Strategic focus.** Additional funding should reward robust National Strategies and investment cases, and well-performing programs with a potential for increased, quantifiable impact;

iii. **Alignment.** The process for awarding should ensure that applicants can access funding aligned to national planning cycles, by avoiding unintended incentives to apply either early or late in an allocation period;

iv. **Sustainability.** Additional funding should leverage contributions from other sources, including domestic budgets;

v. **Simplicity.** The processes for awarding additional funding must minimize complexity and transaction costs for implementers, and avoid disruptions to grant-making; and

vi. **Co-investment or "Willingness to Pay".** Additional funding should also leverage financing from Governments in implementing countries.

38. Why put a "shelf life" on Concept Notes?

Because we are encouraging the full expression of demand in all Concept Notes, the cumulated unfunded quality demand could represent a significant amount of money, and potentially a large share of the following replenishment. Without a time limit, this quality demand could create a feeling of entitlement, and a large share of applications would become irrelevant as the epidemiology and local context evolve rapidly. A time limit would also incentivize applicants to focus on interventions that can rapidly be implemented.

COUNTRY ELIGIBILITY AND MARPs

39. How would country eligibility factor in a new funding model?

The Board has not discussed changes to the ECFP (adopted in 2011), with regard to the new funding model. The working assumption is that this policy will guide the new investment model.

40. What provision could a new investment model make for MARPs?

A "Targeted" Band of countries to address MARPs will be part of the new funding model. This will provide funding to countries that have concentrated epidemics (especially for HIV and tuberculosis) in regions that would receive less financing through an allocation method that considers disease burden and ability to pay only (and is more appropriate for generalized epidemics). This new "Targeted " Band could consider the size of a country's population in allocating funds for MARPs through, for example, a *range* of maximum grant sizes determined by population level.

COUNTRY DIALOGUE

41. When would a Country Dialogue start, and who will take part?

The Country Dialogue should not be a process specific to the Global Fund, but should be part of and build upon existing coordination mechanisms and dialogues in health and development that are already taking place in many countries between Governments, donors, partners and civil society. The Country Dialogue will not not be a single meeting or conversation that has to happen at a given time, or after a certain lauch point. In fact, work on National Strategies and resource-mobilization at the country level should already be ongoing, and the results of these discussions should be the basis for the submission on Concept Notes to the Global Fund. If invited, Country Teams at the Secretariat will support and/or join these planning processes at any time, even as soon as early in 2013, to prepare for the roll-out of the new funding model.

Work on Concept Notes could certainly begin before the official launch of the new funding model. (A small group of CCMs would even receive invitations to create Concept Notes as part of the transition phase in 2013.) Yet it is also important to note that CCMs would not need to rush to submit their Concept Notes in early 2014, as the system is designed to ensure implementers can request funds according to their own timelines, aligned to country processes and needs.

In any case, strong and effective partnerships at the country level will be necessary for the new funding model to be effective. The Global Fund will be looking to technical agencies, civil society, Governments and other donors to assist in forming or strengthening such partnerships.

42. What types of guidance will the Global Fund Secretariat provide to support the Country Dialogue?

The Secretariat, working with Partners, will design a guidance package to help implementers develop their funding requests, which will consist of elements such as the following:

i. **Investment Framework:** The Global Fund will encourage implementers to prioritize activities and link epidemiological data to a recommended set of interventions, by referring to an investment framework. Currently being prepared by technical partners, this investment framework includes guidance on HIV/AIDS, tuberculosis, malaria, and HCSS. If the proposed interventions differ significantly from those recommended in the framework, the Global Fund will discuss with the CCM.

ii. **Information and Analysis on Global Fund Grants:** Information and analysis from past or existing Global Fund grants (including impact/outcome assessments and key programmatic and financial grant-performance information) should inform program design.

iii. **Minimum Standards:** Building on work already undertaken on minimum standards, the Global Fund Secretariat will issue clear and simple basic requirements against which CCMs and potential implementers will undergo assessment in the application process. These will cover financial management, procurement and supply management, monitoring and evaluation, program management and governance. The minimum standards will help applicants develop the most-effective implementation arrangements possible, based on the capabilities of potential PRs.

iv. **Indicative Funding Range:** The Global Fund will offer guidance to applicants on the amount expected to be available to them through indicative funding, and also regarding the availability of incentive funding for their Band.

NATIONAL STRATEGIES

43. Will the level of country funding depend on having high-quality National Strategies?

The new funding model will encourage the use of robust national planning processes as the basis upon which applicants will develop Concept Notes (funding requests to the Global Fund). However, the new investment model allows for alternative types of Concept Notes, such as investment cases, which make a compelling argument for a strategic use of resources, and also for shorter-term, more project-based applications.

44. Who will decide whether an implementer submits a project-based application or an application based on a National Strategy / investment case?

This would remain a decision for each applicant to make.

CONCEPT NOTE

45. What is a Concept Note, and what will it contain? What makes it different from past Global Fund proposal forms?

The Concept Note will serve as the application to request financing from the Global Fund for any one of the three diseases or cross-cutting support for HCSS. Ideally, applications will be based on a National Strategy. At a minimum, Concept Notes would include the following information:

- Country context and response - including absolute numbers and trends in the diseases, and current and target coverage levels of treatment, prevention, and care services;
- Funding – the total amount of funding needed to finance a technically appropriate response to the disease to achieve the target coverage levels, and sources of financing to pay for those costs (domestic, other donors, and existing Global Fund support); and
- Request to the Global Fund – interventions that make up the desired response, with a prioritized indicative funding request and incremental program elements for incentive funding

46. Why will applicants have to provide information on gaps in their Concept Notes if the Global Fund does not have enough money to cover them?

Expressing full demand for funding in Concept Notes would give a full picture of the costs needed to respond to the disease in country, even if the Global Fund can only cover some of those costs. This information could assist in resource-mobilization, and could also be useful for the prioritization of domestic resources and other sources of external financing.

47. How will Country Teams at the Global Fund Secretariat support the development of Concept Notes?

As a departure from past practice, Country Teams at the Global Fund Secretariat will proactively engage with applicants to discuss their programs, timing issues, and facilitate their discussions based on the guidance package. During these discussions, the Secretariat will work closely with in-country partners, including technical agencies, multilateral and bilateral donors, civil society, private sector, and Governments. They will discuss with applicants issues related to past performance, absorptive capacity and lessons learned from the implementation of current or prior Global Fund grants. However, the Secretariat will not be involved in writing or editing Concept Notes, although Country Teams would be available to answer questions and discuss options.

TECHNICAL REVIEW PANEL (TRP) REVIEW

48. Will Concept Notes still undergo review by the TRP?

Yes. Independent technical review is a core principle of the Global Fund, and a cornerstone of its business model. All requests for funding will continue to undergo review by the TRP. This step will occur at the Concept Note stage. The review of the Concept Note would determine whether the proposal could move into the grant-making stage, or whether applicants would have to revise their approach in a re-submission. In limited circumstances, a further TRP review could take place during the grant-making stage.

49. What will be the roles of the TRP and the Secretariat in the review of Concept Notes?

The role of the TRP will not change dramatically, although its composition (potentially in terms of both number and expertise) and working methods will change. A key improvement from current practice will be that Secretariat staff will provide input directly to CCMs, building on practices developed in Round 10, grant renewals and the Transitional Funding Mechanism. Country Teams will also engage more directly with the TRP to help give reviewers adequate information regarding implementation capacity of potential PRs, lessons learned, and past performance.

50. How often will the TRP meet in the new model?

The TRP will need to meet more regularly, to accommodate a more-open timeframe to receive and review funding requests throughout the year. Adjustments will be needed to ensure consistency of approach between members (through documentation and exchange of lessons learned, creation of overarching recommendations, etc.).

51. How many TRP review windows will there be in a year?

This is yet to be determined, but there will most likely be three to four windows within a calendar year.

GRANT-MAKING

52. Who will approve the final grant documents?

The Board will approve the final commitment of funds.

53. Who will approve financial commitments during the transition to the new funding model?

The Board will approve all amounts of money committed to existing grants under the transition to the new funding model.

54. What role will the TRP play during the transition to the new funding model?

The transition period would provide the opportunity to begin refining the current way the TRP operates, to better adapt to the requirements of a new funding model.

The Secretariat and the TRP would jointly identify entry points for the TRP to review and provide feedback and recommendations on funding requests. The composition and modalities of the TRP could change from current practice during this transition phase.