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Global Fund Board approves 26 catalytic funding priorities for 2020-2022

The amount of funding set aside for catalytic investments for 2020-2022, the next allocation period; which catalytic priorities will be funded; and to what extent they will be funded, will all depend on how much money is available for allocation following the Global Fund's Sixth Replenishment pledging conference in October 2019.

At its meeting on 15-16 May, the Global Fund Board approved 26 catalytic priorities (see the table for a list) and a budget for each one, based on a recommendation from its Strategy Committee (SC). The total cost for all 26 priorities is \$894.0 million. Because the Board is approving the catalytic priorities now, the Secretariat is able to begin planning for their implementation. For the 2017-2019 replenishment period, the priorities were approved six months later in the funding cycle, just one month before countries received their allocation letters, which created more than a few challenges.

But the Global Fund won't know how much money will be available for catalytic priorities until after the pledging conference. As a result, the Board decision spells out five potential scenarios. Which scenario is eventually applicable will determine which catalytic priorities will be funded and what the budget will be for each one.

The scenarios are as follows:

- If funds available for allocation are equal to or greater than \$13.1 billion, \$900 million will be made available for catalytic investments, as per the priorities and associated costs outlined in Table 1 of GF/B41/03 (Annex 1).
- If funds available for allocation are below \$13.1 billion and equal to or greater than \$12.1 billion, \$800 million

will be made available for catalytic investments, as per the priorities and associated costs outlined in Table 2 of GF/B41/03 – Revision 1 (Annex 1).

- If funds available for allocation are below \$12.1 billion and equal to or greater than \$11.1 billion, \$600 million will be made available for catalytic investments, as per the priorities and associated costs outlined in Table 3 of GF/B41/03 – Revision 1 (Annex 1).
- If funds available for allocation are below \$11.1 billion and equal to or greater than \$10.6 billion, \$400 million will be made available for catalytic investments, as per the priorities and associated costs outlined in Table 4 of GF/B41/03 – Revision 1 (Annex 1).
- If funds available for allocation are below \$10.6 billion and equal to or greater than \$10.1 billion, \$200 million will be made available for catalytic investments, as per the priorities and associated costs outlined in Table 5 of GF/B41/03 – Revision 1 (Annex 1).

For each scenario, once the amount reserved for catalytic investments is determined and deducted from the funds available for allocation, the remaining funds will be used for country allocations. For example, if \$10.8 billion is available for allocation, \$400.0 million will be earmarked for catalytic investments and the balance, \$10.4 billion, will be used for country allocations.

The Global Fund recently launched its Sixth Replenishment. A pledging conference will take place in Lyon, France in October 2019. The Fund has set a target of \$14.0 billion for the replenishment. Readers should note, however, that funds raised during a replenishment drive are not the same as “funds available for allocation.” Funds raised from the replenishment are subject to several adjustments — such as to cover the Fund’s operating costs — before the amount available for allocation to countries can be determined.

For the 2020-2022 allocation period, the sources of funding available for allocation will be identified by the Audit and Finance Committee following the pledging conference.

In its decision, the Board also said that should the funds available for allocation be below \$10.1 billion, the Secretariat will return to the Strategy Committee with a new recommendation for catalytic investments.

The Board approved a provision whereby the Secretariat may recommend that the Board approve an additional \$100 million for catalytic investments if the funds available for allocation are above the midpoint of the funding range for any one of the scenarios outlined above.

The Board also approved – just one day before the meeting began – an amendment to the Decision Point, proposed by the United States’ and the Developing Country NGOs’ delegations, to include a rigorous approval, technical review and regular reporting (to the Strategy Committee) process for all catalytic investments, including Strategic Initiatives. The purpose of instilling greater rigor into the approval process is to manage conflicts of interest and thus maintain the integrity of decision making.

Finally, the Board said that the Secretariat will have the flexibility to reallocate costs among the various catalytic priorities, providing the costs of the investments being reallocated are within 10% of the budget for a specific priority. Reallocations exceeding 10% need to be approved by the SC.

For space reasons, Aidsplan is unable to reproduce in this article the five tables mentioned in the Board decision. Readers are advised to consult Annex 1 of Board Document GF/B41/03.

Board Document GF/B41/03, Catalytic investments for the 2020-2022 allocation period, like other documents prepared for the 15-16 May 2019 Board meeting, should be posted shortly at: www.theglobalfund.org/en/board/meetings/41.

Board-related documents are usually posted to the Global Fund website within two weeks after the meeting.

Catalytic priorities

The catalytic investments in 2020-2022 will once again have three modalities: strategic initiatives, matching funds and multi-country approaches.

To identify the priorities for catalytic investments for the 2020-2022 allocation period, the SC defined a prioritization approach and the Secretariat undertook extensive consultations with partners.

The paper prepared for the Board by the SC described the core themes that guided the choice of catalytic priorities. For HIV, the catalytic priorities focus on prevention to reduce incidence and on enhancing program quality and effectiveness. The TB catalytic investments focus on progressing towards the U.N. High Level Meeting target of finding and treating 40 million people by 2022. For malaria, the catalytic priorities respond to critical threats of drug and insecticide resistance, and contribute to malaria elimination.

For RSSH, the catalytic priorities support system investments that contribute to catalyzing progress against the three diseases, including strengthening data systems; procurement and supply management systems; service delivery innovations; and community and civil society engagement. Cross-cutting investments include removing human rights barriers in the context of the three diseases; supporting sustainability, transition and efficiency; and funding critical contingency measures through the Emergency Fund.

The Board approved 26 catalytic priorities (see Table 1 below) and their associated budgets. Depending on the funding scenario that will be applicable, however, some of the priorities may not be implemented or, if they are implemented, they may have a reduced budget.

Table 1: Catalytic investments for 2020-2022, by funding scenario

Column 1 Priorities for \$200 m scenario	Column 2 Priorities for \$400 m scenario Priorities in Columns 1+2	Column 3 Priorities for \$600 m scenario Priorities in Columns 1+2+3	Column 4 Priorities in scenario Priorities
HIV	Adolescent Girls and Young Women (MF) Scaling Up Community-Led Key Population Programs (MF/MC)	Key Populations and Sustainability (MC) Differentiated HIV Service Delivery (SI) TB Preventive Treatment for PLHIV	Condon
TB			

Finding Missing People with TB, including Drug-Resistant TB and Preventive Treatment (MF)	Targeted TA for innovative approaches to finding missing people with TB (SI)	TB Multi-Country Approaches (MC)	
Malaria			
Addressing Drug Resistance in the Greater Mekong Sub-Region (MC)		Malaria Elimination in Southern Africa (MC)	
Accelerated Introduction of New Nets (SI)		Regional Coordination and Targeted TA for Implementation and Elimination (SI)	RTS,S
		Malaria Elimination 2025 Initiative (SI)	
RSSH & Cross-Cutting Data (SI)			
Community, Rights and Gender (SI)	Sustainability, Transition and Efficiency (SI)	Service Delivery Innovations (SI)	
Human Rights (MF + SI)		Accelerated Introduction of Innovations (SI)	Innovation
Emergency Fund (SI)	PSM Transformation (SI)	CCM Evolution (SI)	
Independent Evaluation (SI)			

SI = Strategic initiative | MF = Matching funds | MC = Multi-country

Bold font indicates new priority

As the table indicates, four of the catalytic priorities are new. They were selected based on challenges encountered in the implementation of grants in the 2017–2019 allocation period; on programmatic gaps; and on emerging risks to achieving the Strategy targets that cannot be fully addressed through allocations alone.

The Board paper provides the example of TB preventive treatment (TPT) for people living with HIV. This emerged as a priority strongly supported by both TB and HIV partners because, despite being cost-effective and recommended by the World Health Organization since many years ago, the uptake of TPT has been slow, as evidenced by a significantly under-performing key performance indicator. This lack of progress, the paper said, has created a wide gap with respect to the post-U.N. High-Level Meeting target of six million people living with HIV receiving TPT by 2022. The proposed catalytic investment aims to incentivize the uptake of TPT in HIV programs, complementing the Global Fund’s other investments in TPT through the TB matching funds and country allocations.

Annex 2 of Board Document GF/B41/03 contains detailed descriptions of all 26 catalytic priorities and budget ceilings for each.

Four catalytic priorities from 2017-2019 are not being retained for 2020-2022:

- Data (matching funds)
- Developing local PSM resources (strategic initiative)
- Malaria elimination — Mesoamerica (multi-country)
- Innovation Challenge Fund (strategic initiative)

Data (matching funds) is being discontinued because (a) the Global Fund considers that the catalytic effect of this funding has been limited given that data investments in country allocations and from other funders are significantly greater; and (b) because these investments will likely continue in the 2020-2022

allocation period.

According to the paper prepared for the Board, the initiatives related to Data (matching funds) and Developing local PSM resources will be supported with targeted funding from other strategic initiatives approved for 2020-2022. In addition, the emphasis will be on optimizing these investments through other policy levers, such as improving the quality of funding requests or ensuring that these priorities are well-addressed in national strategic plans.

The Mesoamerica initiative is being discontinued because the 2017-2019 multi-country grant pooled funds with contributions from other funders to launch a joint financing facility for malaria elimination in the region, thus enabling it to operate until 2022.

(Note that there is a second catalytic funding priority called “Data.” It is a strategic initiative under RSSH & Cross-Cutting.)

The Board paper states that the Secretariat will “refine the operationalization” of the catalytic investments, building on emerging evidence and lessons learned from the implementation of these investments in 2017-2019. The Secretariat has established several objectives for the operationalization, including the following:

- Improve the funding request process;
- Encourage applicants to develop sustainability plans so that after the 2020-2022 allocation period, these investments can either be mainstreamed into country allocations or funded with domestic resources; and
- Reduce transaction costs.

Board Document GF/B41/03, Catalytic Investments for the 2020-2022 Allocation Period, should be posted shortly at: www.theglobalfund.org/en/board/meetings/41.

Editor’s note: This article is dated 16 May, which is when this article was uploaded into our automated system. The article was not published until 17 May, the day following the Board meeting. This respects our agreement with the Global Fund concerning when we publish articles that are based on the content of the Board papers.

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