



Independent observer
of the Global Fund

CSOS EXPRESS CONCERNS ABOUT NEW FUNDING MODEL DISCUSSIONS

Concerns have been raised by civil society organisations (CSOs) about the process being followed to develop a new funding model for the Global Fund, and about the fact that most of the discussions have focused on formulas for allocating funding.

For the most part, discussions about the new funding model are taking place within the Global Fund Board's Strategy, Investment and Impact Committee (SIIC), which is responsible for making recommendations to the Board concerning the design of the model. The SIIC has had several meetings and teleconferences to discuss the model; another meeting is planned for 29–31 August. The SIIC will then send a report to the Board in advance of the Board meeting scheduled for 13–14 September.

The Board may or may not make a final decision on the design of the new funding model at its September meeting. The Board has another meeting scheduled for 14–15 November.

Many CSOs have told GFO that they think the discussions at the SIIC have been too rushed. They add that the discussions have focused mostly on some form of allocation system for deciding how available funds will be split up among applicants. The CSOs would prefer to see a wider discussion of the different elements of a new funding model (such as how to ensure that proposals build on national strategies, take an investment framework approach and reflect solid gap analyses; and how to ensure that the funding model enables the Global Fund to invest in the right programmes).

The design of the new funding model has also been discussed in consultations that the Global Fund Secretariat has held with various parties. While acknowledging that there have been many such consultations, the CSOs say that most of the consultations were organised at the last minute, and that

some of them were behind closed doors.

In an Action Alert issued on 20 August, Health GAP, a US-based AIDS and human rights advocacy organisation, said the Global Fund Secretariat is proposing a funding model that would incorporate “country envelopes” that would place a cap on the amount of funding a country could request from the Fund. Health GAP said this model would undermine the demand-driven, country-led approach that has characterised the Global Fund since its inception.

According to Health GAP, this option has been “pushed hard” by the Secretariat, “with no serious treatment of other ideas.” Health GAP said that the Global Fund Secretariat’s proposal

“will weaken country expressions of true funding needs and eliminate incentives to strengthen their national plans — and at the same time will undermine resource mobilization efforts. The pressure on donors, and national governments, to commit based on funding levels people actually need to prevent death, disease progression, and infection, will be replaced by country caps that solve a bureaucratic problem but not the fundamental ones.”

Activists made similar arguments during a session at the International AIDS Conference in Washington, DC in July (see [GFO article](#)).

In late July, the Developed Country NGO Delegation on the Global Fund Board produced a paper stating that it was opposed to arbitrary restrictions and limitations on expressions of demand by implementing countries. Examples of arbitrary restrictions, the delegation said, were allocating available funding by assigning country or regional budget envelopes, and setting ceilings or pre-selecting a limited set of interventions eligible for funding based on priorities set in Geneva. The delegation said that such restrictions would undermine the goal of investing strategically to accelerate the responses to the diseases, and would constitute a radical departure from the Global Fund’s core principles.

In the paper, the delegation proposed instead that funding be allocated by “categories of countries,” where countries in the categories with higher disease burden and lower income would get a higher proportion of the funds available, but where countries in all categories would receive some funding.

The delegation said that allocation within each category of countries should be determined based on criteria such as funding availability and level of domestic financing. “Should quality demand expressed by countries exceed funding available at that time, proposals can be partly funded with remaining components queued for funding as it becomes available,” the delegation stated. “Countries themselves will prioritize parts that need urgent funding and parts that can wait in a queue.”

The Health GAP Action Alert and the paper produced by the Developed Country NGO delegation were both distributed by email; copies are on file with the author.

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