



Independent observer  
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## PUSHING THE ENVELOPE: WILL THE GLOBAL FUND'S NEW FUNDING MODEL FOSTER COUNTRY AMBITIONS?

The new funding model (NFM) is the crucial opportunity to determine the speed with which countries are able to expand and innovate in their responses to the three diseases and to make up for delays in the scale-up of programs that has been stalled since the cancellation of Round 11.

However, teams from Médecins Sans Frontières (MSF) in a number of countries have observed a lack of clear information and a worrying degree of confusion regarding key features of the NFM. Combining low allocations with this confusion, particularly a lack of clarity around 'full expression of demand,' risks undermining countries in requesting support for the necessary ambitious national strategic plans to scale-up treatment and prevention services for their populations.

Under the NFM, countries receive an envelope or 'allocation' upfront, calculated as a share of the total funds available after the replenishment. A second 'incentive' funding pool makes additional money available through competition among ambitious and strong concept notes. Furthermore, requests for high-quality programming that exceed funding available from those two pools is registered as so called 'unfunded quality demand', for which funds can be obtained as more money comes in from the Fund or other funders. MSF's observations suggest that these additional opportunities to receive funding for high-quality programs that require more resources than the allocation remain poorly understood.

In countries such as Democratic Republic of Congo (DRC) and Guinea, the possibility and even the appropriateness of making requests above the allocation has been questioned. While in fact there is no upper limit as the NFM is designed to encourage full expression of demand, some countries have been recommended to cut down the size of their requests as they were simply considered "too high".

In countries like Malawi and Mozambique, guidance on how to articulate their full expression of demand was unclear. Countries facing serious funding shortfalls, like Mozambique could benefit from the possibility to shorten the implementation period in order to maximize impact of a limited allocation, but have either been discouraged or grapple with its practical modalities.

In countries where allocations are significantly lower than the current needs, full expression of demand is particularly necessary to give the opportunity for strategic investments to become highly effective or innovative approaches. This is not possible if countries and those providing technical assistance are considering the allocation as the only funding pool.

In Malawi, the allocation barely covers anti-retroviral treatment costs, despite the fact that strengthening the HIV program will require a range of interventions. In Mozambique, the allocation increased compared to previous funding levels, but falls dramatically short of the funding needed to continue the widely supported treatment acceleration plan. The annual amounts in the allocations for Guinea and DRC barely reach the levels of previous years: a period plagued by major constraints and delays in funding flows and implementation. Both countries are in urgent need of a catch-up plan to improve coverage and quality standards.

Let us be clear: low allocations under the NFM are essentially due to the shortfall in funding. They are a result of dividing up the available funds. Crucially, the Global Fund recognizes that allocations do not reflect a country's actual needs, its plans or capacity to realize them, and that the allocations do not take into account continued resource mobilization efforts by the Global Fund and others.

Much time and effort went into creating the formula that generates each country's allocation. However, no matter how sophisticated the formula or set of criteria, this cannot make up for an overall shortfall in funding.

International donor funding for HIV is stagnating at best. To respond by retreating to an allocation-based model that accommodates a declining donor willingness to pay might seem convenient – at least for donors. But lowering ambitions and “hiding” people's needs in funding requests that are constrained by funding, not guided by real needs, sets a dangerous trend for the Global Fund. This would be an acceptance that the urgent needs of patients are taken out of the equation in favour of donors' comfort.

Demand is needed to drive supply, and this is as true within the Global Fund systems as it is elsewhere. Country demand has been and remains a key principle contributing to the Global Fund's success and is preserved within the NFM. It is what distinguishes it from other financing institutions and is necessary in attracting additional funds. A full expression of demand also allows civil society actors to hold their own governments to account in delivering their part of the response.

While there is more than enough money in the world to beat the three diseases, political support to do so may be waning. If people's needs are hidden, the chance of mobilizing the necessary additional funds is zero.

In order to prevent the GF's strategic role and objectives being undermined, any ambiguity regarding the NFMs needs to be cleared up rapidly. Instead of curbing countries' demand, it should be a way for all to live up to their promises and present a framework for raising the resources needed in the fight against the three main killer diseases.

We strongly encourage the Global Fund Secretariat, technical partners and other key stakeholders to proactively increase quality technical support to help countries in the development of concept notes, that support prioritising effective responses to people's needs and that constitute a full expression of those needs.

Limiting our collective response to interventions that fit within an allocation that all recognise as inadequate is not good enough; The current shortfall in resources at the Global Fund must not impose a limit on the pace and depth of countries' efforts to get ahead of new infections and ill disease due to Aids, TB and malaria.

Authors Mit Philips and Kerstin Akerfeldt are part of the Health Access Team/ Analysis and Advocacy Unit, Médecins Sans Frontières, Operational Center Brussels. Opinions contained in this commentary are MSF's. For more information, please see MSF's issue brief "Pushing the envelope-does the Global Fund NFM foster country ambitions?" available at <http://www.msf.org/article/msf-issue-brief-pushing-envelope>, which outlines MSF views and current concerns regarding key aspects of the new funding model, based on observations from its teams in countries currently preparing their strategic plans and concept notes to access funding.

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