



Independent observer  
of the Global Fund

## COUNTRIES RECEIVE ALLOCATION LETTERS

Countries eligible for funding have been informed of what their allocations are for 2017-2019 for HIV, TB, malaria, and resilient and sustainable systems for health (RSSH). The Global Fund Secretariat sent letters to each country by email on 15 December.

The Secretariat has not made the letters public. However, it has provided information on the allocations for each country in the form of a spreadsheet on its website. (To view the spreadsheet, see [here](#). Also, see separate article in this issue [here](#))

In addition to providing the total allocation, the letters provided an indicative program split for HIV, TB and malaria. RSSH was not included in the indicative split.

Aidspace has been able to obtain a few copies of the letters directly from the countries. In addition to providing the indicative program split, the letters also show the “allocation utilization period” for each disease component. The information is provided in the form of a table. This is what the allocation tables look like:

Table: Illustrative example of allocation table

Eligible disease component	Allocation US\$	Allocation utilization period
HIV	123,655,909	1 January 2018 to 31 December 2020
TB	21,234,788	1 October 2018 to 31 December 2021
Malaria	43,765,734	1 January 2018 to 31 December 2020

Total	188,656,431	
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NOTE: This is a fictitious table, presented for illustrative purposes only. The numbers do not represent any one country.

With respect to the indicative program split, the letters stated that “it is up to the CCM to assess the best use of funds across eligible disease components.” The letters stated that applicants can either accept the Global Fund program split or propose a revised split. The letters explained that the CCM’s decision must be documented in the minutes of a CCM meeting, and that the Global Fund has to approve the proposed split. In the materials sent to each country along with the allocation letter, there is a form for the country to use to either confirm the indicated program split or propose a revised split. This form must be sent to the Secretariat prior to or at the same time as the submission of the country’s first funding request.

The allocation letters do not explain the last column in the tables – the allocation utilization period. It seems apparent, however, that this refers to the period during which the countries are expected to use their allocation. For example, using the illustrative table above, the country in the table presumably has an existing HIV grant that ends on 31 December 2017 and is expected to submit a funding request for the three-year period from 1 January 2018 to 31 December 2020. Similarly, for the TB allocation, the country presumably has an existing grant that ends on 30 September 2018 and is expected to submit a funding request for the three-year period from 1 October 2018 to 30 September 2021.

The last date that a country can submit a funding request related to its 2017-2019 allocation is 31 December 2019.

The allocations letters state that if a country has funds remaining in existing grants at the start of the allocation utilization period, they cannot be added to the 2017-2019 allocation. GFO reported on this in a previous [article](#).

For some countries, the allocation letters refer to the fact that the country may be eligible for some matching funding under one or more of the catalytic investments. Matching funds are intended to incentivize the programming of allocations towards key strategic priorities, such as key and vulnerable populations, human rights, gender equality, and data strengthening (see [GFO article](#)). In at least one allocation letter that we saw, the amount of matching funds is mentioned and some additional information is provided, including the conditions the applicant must meet to access the matching funds.

#### Resilient and sustainable systems for health

As we said above, the indicative program split provided to countries did not include an amount for RSSH. However, the letters stated that the Global Fund strongly encourages integrated programming across diseases and investments in RSSH. Countries that want to invest in RSSH will have to find the money from within their allocation. In other words, the money will have to be carved out of the amounts shown for HIV, TB and malaria in the allocation table included in the letter.

The letters stated that cross-cutting RSSH investments can be included in any funding request or submitted as a stand-alone funding request. The Fund said that a joint application including two or more disease components and RSSH investments “is strongly encouraged.” It said that should a country decide to submit separate disease component applications, “we request that all cross-cutting RSSH interventions are included in one funding request, ideally the first one.... The funding designated to cross-cutting RSSH interventions does not need to be documented in the program split unless a stand-alone RSSH funding request is planned.”

The allocation letters showed what the country invested in cross-cutting RSSH for the 2014-2016 allocation period. In some of the letters, the Global Fund said that it expected to see “strong investments in RSSH in this funding cycle.”

### Accessing the funding

To access the funding from the allocations, countries are expected to go through a process which is very similar to the one used for the 2014-2016 allocations – i.e. organizing an inclusive country dialogue, recommending a program split, and submitting a funding request.

The allocation letters remind countries that their application should include a prioritized and costing request for above-allocation funding. It may be possible to fund portions of the above-allocation requests from any additional funds that may become available during 2017-2019 allocation period, including savings identified in grant-making. The Global Fund has said that for the 2014-2016 allocations, savings of more than \$1 billion was achieved during grant-making.

### Types of funding requests

The allocation letters state that customized application materials will be provided by the fund portfolio manager. For the 2017-2019 allocations, three main types of funding requests may be submitted, named after the review process that will be used: program continuation, tailored review, and full review (see [GFO article](#)).

The allocation letters state which type of funding request the Global expects the applicant will use for each component. For those components that the Global Fund expects the country to submit a program continuation request, the package of materials sent to the country along with the allocation letters included the templates that the applicant will need for this type of request. For the other types of funding requests, the templates are not all finalized. Some templates are already available on the Fund’s website [here](#). Related resources, such as FAQs and information notes, are available on the same page.

The Global Fund has established dates (i.e. windows) when funding requests can be submitted. For the first three windows in 2017, the dates are 20 March, 23 May and 28 August. The first window in 2018 is on 31 January.

For program continuation requests, only two windows can be used: Window 1 (20 March 2017) for grants ending up to 30 June 2018; and Window 4 (31 January 2018) for grants ending on or after 1 July 2018.

There are actually more than three types of funding requests possible. A limited number of countries have been invited to submit a national strategy pilot funding request – i.e. a request that is tailored to their national strategic plan.

In addition, several countries have been required to submit a transition funding request for certain components for which 2017-2019 is the last period of eligibility for Global Fund support. Special templates have been or are being designed for the transition funding requests. At a webinar it organized on application materials on 14 December, the Secretariat said that four additional components have opted to use the transition funding templates.

At the same webinar, the Secretariat said that all templates will be accompanied by detailed instructions on how they should be filled out.

By the time we went to press, we were not able to obtain a list of the components that will be using the transition funding templates. In October, the Fund published a [list](#) of components that it expected would

be transitioning by 2025; however, it shows only 14 such components for the period 2017-2019.)

## Other items

The allocation letters provided additional information, summarized below.

### Domestic financing

The allocation letters reminded applicants that in order to access their allocations, they must meet the co-financing requirements (see [GFO article](#)). It also informed them that 15% of their allocations is conditional on the country increasing its domestic financing commitments over past levels. The letters stated the minimum amount of co-financing investments the countries have to meet in order to access their full allocation. The letters pointed out that countries can invest 100% of this amount in RSSH initiatives.

The letters also stated that the countries must demonstrate that they have met prior commitments under the previous “willingness to pay” policy. In at least some of the allocation letters, the Global Fund asked for evidence of this.

### Focus of application

For middle-income countries, the allocation letters indicated the requirements concerning the focus of the application as spelled out in the Global Fund’s Sustainability, Transition and Co-Financing Policy (see [GFO article](#)). Low-income countries do not have to meet any focus of application requirements.

### Quality, impact and risk

In the allocation letters, the Global Fund said that it recognizes there is a gap between “ultimate goals and available resources. Therefore, it is essential that all funding requests are prioritized and that the funds contribute to achieving maximum impact.”

The allocation letters urged countries to conduct a robust risk assessment. “Understanding the greatest risks to success should be very helpful in prioritizing investments and monitoring progress in real time, allowing for rapid change to maximize impact.”

The letters stated that “within the next funding period” countries will be expected to examine the program quality and the efficiency of programs, and to adopt quality improvements to enhance service delivery and impact. In an annex to the letter, the Fund provided guidance on how this could be done. As mentioned above, there is a [page](#) on the Global Fund website that contains numerous resources to assist applicants with their funding requests.

### Procurement

The allocation letters reminded applicants that the Global Fund will not finance commodities that are more expensive than the reference price for these commodities. The letter advised applicants to consult the budgeting guidelines for more details. The letters stated that these updated guidelines will be published in January [here](#).

Note that if the outcomes of a procurement process for products meeting the relevant clinical and quality standards result in selecting a supplier of commodities for a price which is higher than the relevant reference price – taking the total cost of ownership into consideration – national or other resources must be used to pay the difference.

### Recoveries

There is a standard paragraph in all of the allocation letters stating that if the country owes the Global Fund money as a result of the recoveries process, and if all efforts to ensure that the funds are repaid have failed, the Fund may reduce the allocation to the country by twice the outstanding recoverable amount.

Aidspan comment: Aidspan pieced together the contents of this article from the allocation letters that it was able to obtain (anonymously) from CCMs. It is unfortunate that, as it did for the last allocation period, the Global Fund Secretariat did not see fit to make the allocation letters public. There is nothing secret or sensitive in the letters. By not making them public, the Fund is failing to live up to its commitment to transparency. It is also incumbent on CCMs to make these letters public within their countries. The CCMs are not private companies. They are accountable to their stakeholders.

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