



Independent observer
of the Global Fund

COUNTRIES CANNOT ROLL OVER UNUSED FUNDS TO THEIR 2017-2019 ALLOCATIONS

If a country has unused funds in an existing grant when the grant reaches its termination date, it cannot carry them forward into the allocations for 2017-2019. “Unused” means undisbursed or uncommitted at the Secretariat level, or cash remaining uncommitted at the implementer level.

For example, if Country X has a TB grant that is scheduled to end on 31 December 2016 (or later), and if there is \$300,000 left in the grant on that date, Country X will not be able to access these funds. Instead, the funds will go into a pool which will be used to for portfolio optimization, including to top up grants with high absorption levels and good performance.

The funds awarded through portfolio optimization can be for any component; they are not restricted to TB.

Country X may be able to obtain a costed extension of its TB grant, but the funds awarded for the extension will be deducted from Country X’s allocation for 2017-2019.

This information was contained in an [email](#) distributed by Dr Lucica Ditiu, Executive Director of the Stop TB Partnership, on 4 November 2016, and confirmed by Aidspan in an exchange of emails with the Secretariat.

The Secretariat told Aidspan that this is the way the allocations process is designed to work under the new funding model (NFM). When the allocations for 2014-2016 were determined, they included existing funding from grants still in progress. But the two situations are not analogous. In 2013, the Global Fund was transitioning from the rounds-based system to the NFM.

If a country has one or more grants where it is lapsing funds, this will not affect how much the country receives in its allocation for 2017-2019, at least not directly. In other words, there won't be any penalty applied; however, when the Secretariat is determining the allocations for each country, it will look at factors such as the country's ability to absorb funding, as part of the qualitative adjustment process (see separate [GFO article](#) in this issue).

In December, allocation letters will be sent to each country. According to the Secretariat, the letters will contain:

- information on the amount allocated to that country;
- a recommended program split (i.e. the amounts for each disease);
- information on how to access the funds;
- information on which funding request approach should be used for each component;
- expectations concerning domestic financing – with respect to both new commitments and the realization of previous commitments; and
- information on the importance of focusing on increasing return on investment.

(As explained in a previous [GFO article](#), there are three types of funding requests: full review, tailored review, and program continuation.)

The allocation letters will also encourage countries to invest in building resilient and sustainable systems for health, and will explain how the program splits provide the flexibility to do this.

For more information on the applications process for 2017-2019, see the Global Fund's [FAQ document](#).

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