



Independent observer
of the Global Fund

COUNTRIES WILL SOON BE INFORMED OF THEIR GLOBAL FUND ALLOCATIONS FOR THE 2023-2025 FUNDING CYCLE

Countries eligible for Global Fund funding in the 2023-2025 allocation period are waiting for the Global Fund Secretariat to inform them of their overall country allocations for this next funding cycle, for HIV, TB, malaria (HTM), and resilient and sustainable systems for health (RSSH). For the first time, under a new initiative requested by the Board members, the Global Fund Secretariat has shared the draft Allocation Letter template with the Board for their feedback. This provides valuable insight into an important step of Strategy implementation.

The Secretariat could send individual letters, signed by the Division Head of Grant Management, to each eligible country's Country Coordinating Mechanism (CCM) as early as next week. However, as late pledges were received during the Board meeting held in the third week of November, it means that the initial calculations for each country may now have to be revised based on the availability of more funds than originally envisaged. This means that the letters may go out later than usual, leading some to call for a delay in the Window 1 deadline to compensate for this late notification of the country's grant amount available.

The Allocation Letters are usually sent by email and will be accompanied by a package of tailored application materials including the funding request template (for the type of application the Global Fund recommends to that country, of which there are five), a template for the confirmation of the program split, and the Essential Data Table for that country. Francophone countries usually receive two allocations letters, the original (legal) version in English, and a translation of the letter in French.

Each allocation letter states which type of funding request the country should use for their funding application for each component (see ‘Application approach’ section below.)

To access this funding, countries must use the information and guidance set out in the allocation letters to prepare their funding requests to the Global Fund. Funding requests are to be submitted in one of three ‘windows’ in 2023; while it is up to CCMs to determine which window is appropriate for their funding request submission, the Global Fund Country Teams also make strong suggestions to countries about which Windows they should apply for.

The draft allocation letter template contains the following type of information.

Country allocation: The first item is the country’s total allocation, based on the decision taken at the Global Fund’s November 2022 Board meeting on the funding available for the 2023-2025 allocation period. Each letter states the overall amount for the country’s programs for HTM and RSSH combined, determined on the basis of the country’s disease burden and income level (determined from Gross National Income per capita using the latest World Bank income group thresholds). The allocation amounts per component are then laid out in a summary table (see illustrative example in Table 1 below).

Table 1: Illustrative example of summary allocation table included in allocation letters to countries

Eligible disease component	Allocation US \$	Allocation period
HIV	100,000,000	1 January 2023 to 31 December 2025
TB	100,000,000	1 January 2023 to 31 December 2025
Malaria	150,000,000	1 January 2023 to 31 December 2025
Total	350,000,000	

NOTE: This is a fictitious table, presented for illustrative purposes only.
The numbers do not represent the allocations of any one country.:

Whereas previous allocation letters would go straight to the application approach, this funding cycle's letters first discuss the timing, program split and a new requirement, the RSSH investments in this split. Another new section is about the separate COVID-19 Response Mechanism (C19RM) funding stream which did not exist when the previous cycle’s letters were sent out.

Timing. The allocation agreed for each disease component can be used during the relevant allocation utilization period, as indicated in the generic example in Table 1 above. The standard utilization period is three years; in some cases, to achieve grant alignment with the country’s own fiscal cycle, this period may differ and is explained in the Letter. The Letter also states that any remaining funds from a previous HTM allocation, unused by the start of the indicated allocation utilization period, cannot then be used in addition to the new allocation amount.

Program split. The letters propose an indicative split of allocation funds across eligible disease components. However, the CCM is responsible for assessing and proposing the best use of funds across these disease components and health system strengthening. The country can choose to accept the Global Fund split or propose a revised one, based on an evidence-based analysis of programmatic and system gaps and in consideration of the funding needed to maintain essential programming. The Global Fund will review the applicant's request and justification for any program split change and has to indicate its approval before the review of the first funding request.

RSSH investments in program split. The Global Fund reminds applicants that investing in RSSH, including community systems, accelerates progress in the fight against the three diseases and enables health services to be delivered in an integrated, sustainable, equitable, efficient, and effective way. Hence, a new requirement in the 2023- 2025 allocation period to better identify synergies in system investments across the eligible diseases: applicants are required to indicate the intended investment amount for RSSH from within the allocation for each disease component. Providing this information is not considered a program split change.

COVID-19 Response Mechanism (C19RM). The letters explain that C19RM funding is a separate funding stream that can be used to address pandemic preparedness and health system strengthening needs (such as community health workers, integrated lab systems, end-to-end early surveillance systems, scale up medical oxygen and respiratory care, infection prevention control beyond personal protective equipment, and novel therapeutics and test and treat programs) in addition to COVID-19 responses and HTM mitigation.

Application Approach: This is the section where the type of application to be submitted is specified (among the five possibilities of Program Continuation, Tailored for Focused Portfolios, Tailored for National Strategic Plans, Tailored for Transition, or Full Review). The letters also state here that a complete set of application materials will be shared by the Country Team. Some countries will be told that, due to high rates of TB/HIV co-infection, they will be required to submit a joint funding request.

The Letter also states that funding requests are required to be developed through an inclusive and transparent country dialogue with a broad range of stakeholders including key and vulnerable populations (KVPs). It notes that there are a variety of resources to assist applicants on the [Global Fund website](#).

Aims of the Allocation: The letters explain that, given the current challenging economic environment and limited available resources, the Global Fund recognizes the need to prioritize investments. To enhance effectiveness and performance, the Secretariat says that the Global Fund will support investments where the greatest impact can be achieved, including in health and community systems, prevention, human rights and gender, according to countries' needs.

The funding request submitted to the Global Fund should be aligned with prioritized country needs and the latest global technical guidance, and guided by relevant national disease strategic plans, national health sector and sub-sector plans and program reviews.

This is where the Global Fund informs individual countries that:

- Due to its disease burden and income level, the Global Fund is likely to decrease funding for the H, T or M component over subsequent allocation periods, information they are sharing with the country now to support a more informed program split discussion and enable better sustainability planning.
- The HIV allocation has been adjusted upwards (from the allocation formula amount that primarily considers disease burden and income level), to better account for KVP burden and need. The Global Fund expects funds to be directed towards evidence-based programs for KVPs, as per

technical partner guidance, and aligned with the country's epidemiological context.

- The allocation for the H, T or M component has been adjusted upwards (from the allocation formula amount that primarily considers disease burden and income level) to account for the disease burden among migrant and/or refugee populations in that country. The Global Fund expects that a portion of this allocation be directed towards supporting the health needs of migrant and/or refugee populations.
- The allocation for the H, T or M component has been adjusted upwards (from the allocation formula amount that primarily considers disease burden and income level) to accommodate for the continuation of essential programming funded by the Global Fund in the 2020-2022 allocation period. If the disease component's allocation is decreased through a program split change, the Global Fund will expect the country to provide evidence that essential programming for the H, T or M component will be sufficiently financed.
- The H, T or M allocation has been adjusted upwards to accommodate RSSH investment. The Global Fund expects these funds to be directed towards key priority RSSH areas and specifies these areas.

If applicable, the Letter may then go on to discuss (i) approved Focused portfolio investment priority area; and/or (ii) any other approved additional country-specific programmatic message.

Conditions to Access the Allocation

CCM eligibility requirements. The Global Fund Secretariat screens all applicants for compliance with CCM [eligibility requirements](#). Continued compliance with all eligibility requirements throughout program implementation is a condition to access Global Fund financing (including CCM funding).

Co-financing requirements. While Global Fund grants represent a major financing contribution to the eradication of HIV, TB and malaria, they are only a part of more significant financing resources for health and the national responses that include the country's own domestic contributions. Increasing domestic resources for health and spending these resources efficiently and equitably is essential to end the epidemics and strengthen the health systems that are the foundation of the disease response. To access the full 2023-2025 allocation, countries must meet the Global Fund's co-financing requirements, as set out in the [Sustainability, Transition, and Co-Financing \(STC\) Policy](#). All countries are expected to progressively increase their domestic public spending for health to improve performance for both health financing and health outcomes, and to progressively pay for a growing share of key program costs of national responses (e.g., prevention, services for KVPs, drugs, diagnostics, malaria bed nets, etc.), especially those currently financed entirely or in large part by the Global Fund.

The Global Fund is always seeking to encourage increasing domestic resource mobilization, so the letters state that a certain percentage of the country's total Global Fund allocation will only be accessible once it has committed to certain co-financing requirements. The details about these requirements, and how they were calculated, are included in and annex to the allocation letter.

Unfunded quality demand and beyond grant allocation opportunities

The letters end with a section on catalytic Matching Funds and Strategic Initiatives for certain priority areas, described in the annex to the letters.

Regarding Unfunded Quality Demand (UQA), the Global Fund asks all applicants to develop a Prioritized Above Allocation Request (PAAR) and submit this along with the funding request. Interventions from the PAAR that the Technical Review Panel (TRP) considers quality demand will be listed on the UGD

Register. It's important for a country to submit a robust PAAR if it wants to access funding beyond the allocation amount.

Finally, the letter notes that the Global Fund encourages countries to consider opportunities for joint investments and resource mobilization, such as the Debt2Health.

Differences between the former grant cycle letters and the new grant cycle ones

Both cycles start with the allocation and its split between the components. However, where previous letters then went on to describe the allocation approach, the new template goes into the timing, the program split, RSSH investments in the program split and then C1RM (which of course was not yet an issue back in 2019 at the start of the previous funding cycle), before it discusses the approach.

The old format then went into the timing, implementation, the program split and then the allocation's aims. The new template seems more streamlined with the revised order.

Previous letters described the importance of investments in health and community systems, and in gender and human rights. These paragraphs no longer appear in the new template. However, the old section on the importance of increasing domestic resources is echoed in the new template's section on co-financing. Sections on catalytic finds and UQD remain the same.

Stakeholder feedback

On the whole, stakeholders appreciated the carefully crafted and measured wording of the Allocation Letter template, which overall well reflects the ambition of the new Strategy. They also acknowledged that significant effort goes into tailoring the template to each country context and the important work done by the Secretariat through ongoing country dialogue.

Several stakeholders believed that gender equality should be reflected in the Country Allocation section along with other priorities and, furthermore, that countries should be required to demonstrate how programs have been informed by gender assessments. By doing so, this would ensure that the allocation letter guidance strongly reflects the new Strategy ambitions.

Additionally, countries should be encouraged to demonstrate complementarity between proposed RSSH and C19RM activities, as well as alignment with other relevant initiatives supported by domestic, regional and global actors.

In general, stakeholders expected the Secretariat to utilize all measures to develop high quality RSSH grants and create tangible results on the ground. For greater efficiencies and coherence, countries should be encouraged to submit a single integrated funding request bringing together the three diseases and RSSH. Integrated funding requests would allow for a holistic view of health systems strengthening and would strengthen the integration of HTM programs into these health systems. This may not yet be possible in all countries but stakeholders felt that the Secretariat should take steps towards this goal.

However, stakeholders also understood the need for Allocation Letters to be kept concise and not be negotiated in minute detail by the Board. Nonetheless, from a high-level perspective, stakeholders felt that the Letter needs to open with a clear statement that the grants supported by this replenishment cannot be business as usual. This could be linked to an annex setting out the 10 major strategic shifts.

The language on RSSH should draw attention to the need for an integrated approach across the diseases from the design stage onwards and note that additional analysis is requested to support this (i.e., an RSSH gap analysis for all countries). Stakeholders wanted assurance that the Letters would be customised by the RSSH Team to highlight priority RSSH needs by country.

They also raised two questions for clarification:

- Why has the 2017-2019 wording around the expectation to maintain or increase funding for RSSH strengthening been weakened?
- RSSH activities are described in detail only in the C19RM paragraph – could this be covered in the RSSH paragraph to avoid the impression that RSSH investments should mainly come from C19RM funding? A specific reference to the operational framework for primary health care released by UNICEF and WHO might also be helpful.

[Read More](#)
