Update on Country Funding

At the 22nd Strategy Committee (SC) meeting, held virtually on 7, 10 and 11 July 2023, the Secretariat presented an Update on Country Funding. The update covered topics such as:

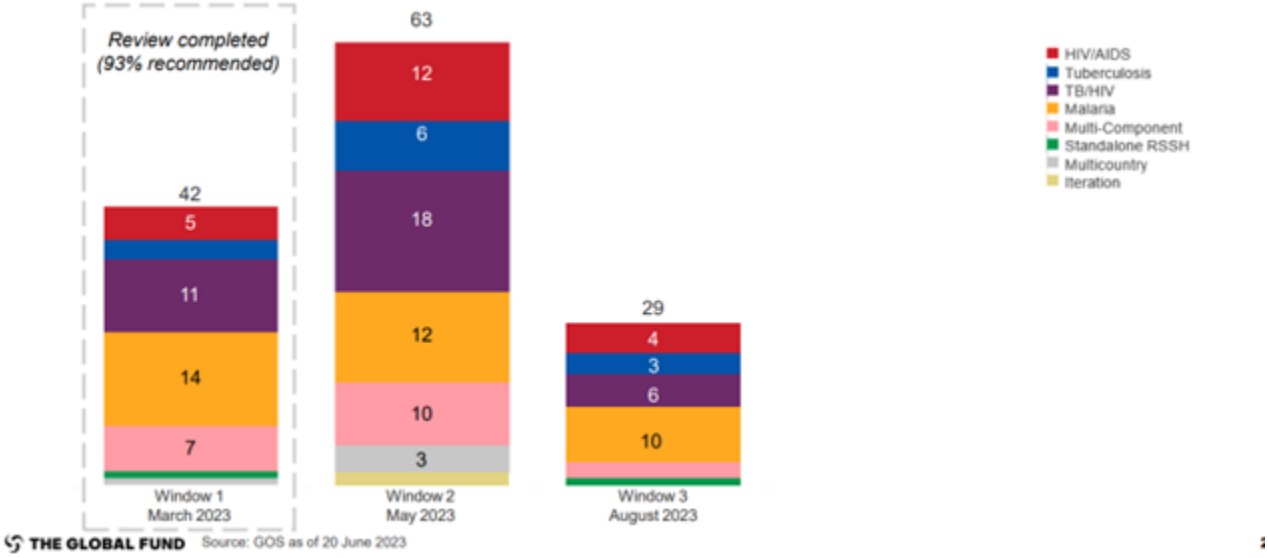
- Funding Request registration by Technical Review Panel (TRP) Window;
- Allocation amount by TRP Window;
- Allocation now in grant-making by component
- Matching Funds now in grant-making;
- Unfunded Quality Demand (UQD);
- 2020-2022 Portfolio Optimization; and
- Observations about the grant application process, gaps in programs and stakeholder engagement.

Funding Request registration by TRP Window

The Global Fund has designated four TRP “windows” for Grant Cycle 7 (GC7) funding request (FR) development with deadlines by which countries had to submit their FRs for the three diseases and resilient and sustainable systems for health (RSSH). The TRP assesses applications on the basis of programmatic impact, financial viability and risk management.

Over the GC7 period, the TRP expects to assess more than 200 funding applications. Windows 1 and 2 (deadlines 31 March and 29 May, respectively) have been the main focus, with the most FRs reviewed in these first two Windows. Of the 42 funding applications reviewed in Window 1, 39 were recommended for funding (see our articles on Window 1 findings here and here) and, under Window 2, 61 out of 63 W2 FRs have been fully recommended for grant-making (see Article 2 for a complete review of the TRP observations and recommendations for Window 2).

Figure 1. Funding request application by TRP Window

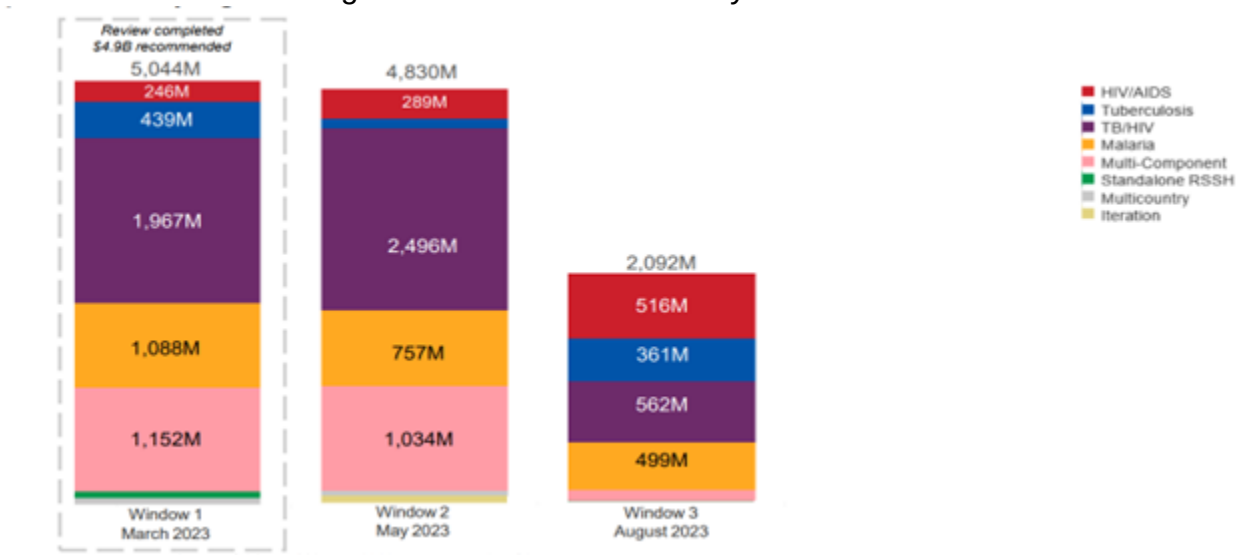


Allocation amount by TRP Window

In Grant Cycle 6 (NFM3), the TRP approved a $6 billion UQD, of which $5.5 billion is still listed on the UQD Register.

A total of $4.9 billion, or 37% of the overall GC7 allocation, was proposed for grant-making in Window 1. Funding Requests at a value of $649 billion were evaluated in Window 2 and there will be $2 billion-worth of FRs to be assessed under Window 3.

Figure 2. Allocation amount by TRP Window



Allocations now in grant-making by component

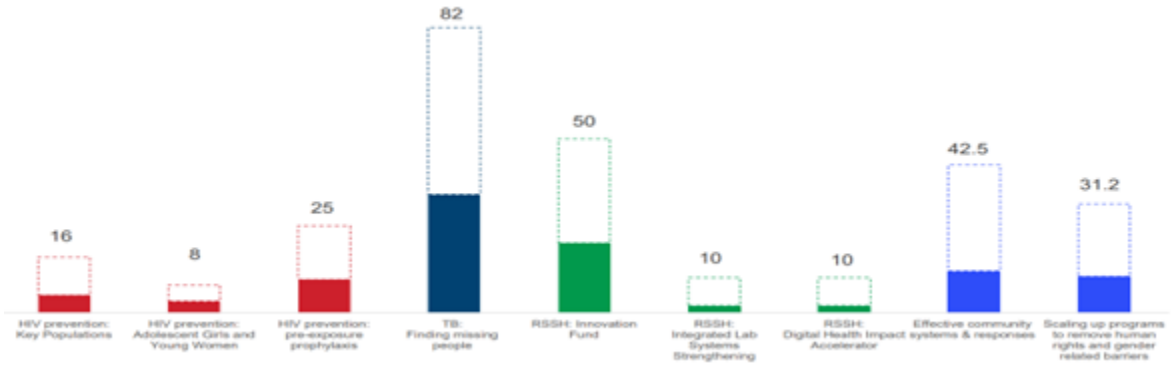
$4.9 billion of the total $13.128 billion available for country allocations has been set aside for grant-making. This grant-making amount includes a sizeable percentage of the cash designated for TB and malaria, representing over half of their respective designated amounts.

Figure 3. Allocations now in grant-making, by component

Matching Funds now in grant-making

Out of the $274.7 million designated as Matching Funds, the TRP recommended $98.25 million for grant-making.

Figure 4. Matching Funds now in grant-making



Unfunded Quality Demand

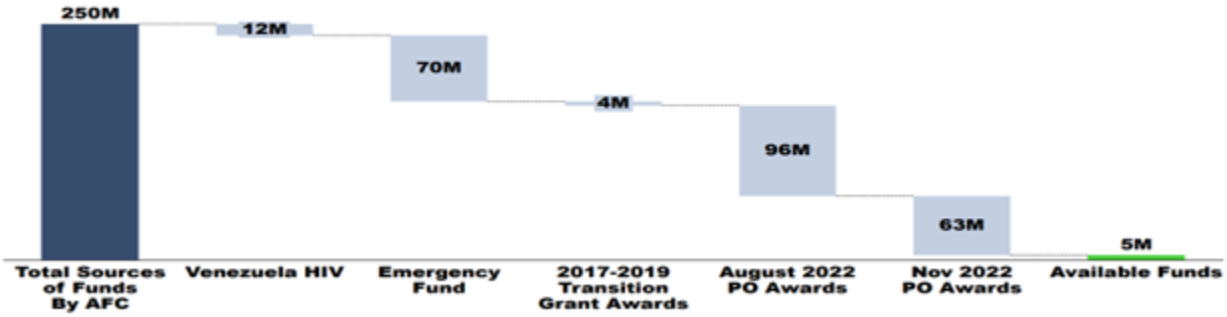
The TRP approved Unfunded Quality Demand (UQD) worth a total of $6 billion during GC6. There is currently $5.6 billion left on the GC6 UQD Register.

Figure 5. Unfunded Quality Demand

2020-2022 Portfolio Optimization

Since the last update to the SC, there have been no additional activities related to Portfolio Optimization (PO). In December 2021, the Board approved the use of $12 million from PO funds to address the health crisis in Venezuela. Additionally, the Board approved two more uses of PO funds to top up the Emergency Fund: $30 million in March 2022 and $40 million in October 2022. The term “Available Funds” refers to funds that have not yet been awarded and also to funds returned to the PO pool after savings and efficiencies were identified in the grant revision process.

Figure 6. 2020-2022 Portfolio Optimization



What did W1 applicants think of the experience of applying for funding?

Although slightly lower than the previous cycle, which had a 95% rating for good, the overall experience rating for the current cycle is still positive. The applicants concurred that the time and effort needed to create a grant request was reasonable given the amount of funding. With a 91% rating, applicants widely recognized the country dialogue process as a good experience. Respondents felt comfortable expressing their views, considered it a safe environment, and were well-informed on how to participate in the dialogue.

Window 1 vs. Window 2

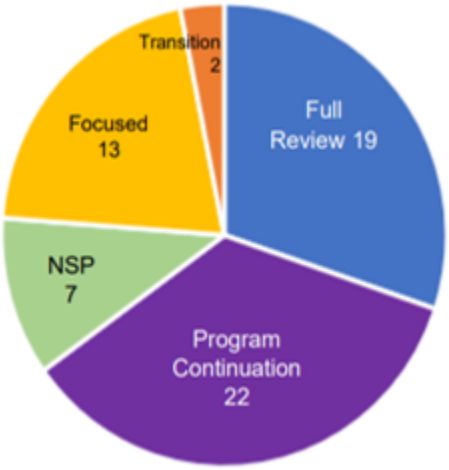
Successful W1 outcomes with intensive preparation for W2 underway

The review procedure in Window 1 had a high success rate at 93%. Between the TRP, technical teams, and Country Teams (CTs), there was positive involvement both before and throughout the TRP review. There were less problems/actions than in the previous cycle (134 problems/260 actions in W1 vs. 338 problems in the same FR in GC6). Both applicants and TRP gave FR quality positive reviews with areas for improvement.

Figure 7. Window 1 outcomes

The breakdown of the five application approaches can be seen in Figures7 and 8. There were significantly more requests for TRP review in Window 2 than in Window 1, with a total of 63 funding requests in Window 2 compared to 42 in the first window. Additionally, “Tailored for Focus” applications made up 21% of all requests during Window 2, a higher proportion than under Window 1.

Figure 8. Window 2 outcomes



Window 1 observations: positives on integration and stakeholder engagement

Compared to 2020 FRs, there has approximately been a 10% increase in joint and integrated FRs in 2023. In particular, TB/HIV and multicomponent funding proposals will receive a total of $7.2 billion in 2023, up from $6.5 billion in 2020. This increase exceeds the allocation’s overall 3% growth.

The TRP has seen progress in initiatives intending to result in better integration, such as lab optimization, community health workers, community-led monitoring (CLM), and service delivery. The TRP would still like to see better program coordination and synergies, as well as improvements in data management systems and supply chains.

The use of the new RSSH annex and integrated FRs that include RSSH components have both been useful in supporting better integration.

Applicant feedback indicates that stakeholder engagement in FR development has been positive. 85% of civil society respondents indicated that they had been actively engaged, and 87% of respondents agreed overall that civil society was involved.

During the country dialogue process, the following stakeholders were actively involved:

- Civil society, representatives of communities, and key populations.
- Other health systems representatives, such as lab directorates, monitoring and evaluation departments, health product management specialists, and technical partners.
- Representatives of HIV, TB, and/or malaria programs.
- Representatives responsible for national pandemic preparedness.

Overall, these various stakeholders played an active role in the country dialogue process, ensuring a comprehensive and inclusive engagement in addressing health challenges.

Window 1 observations: concerns about program gaps

Several factors are contributing towards the increasing costs of delivering high-quality programs. These include:

- Increase in commodity prices: The prices of essential commodities required for healthcare, such as medications and medical supplies, have risen, impacting program costs.
- Increase in freight/Procurement and Supply Management (PSM) costs and tools: Expenses relating to transporting and managing the procurement of healthcare commodities have increased, affecting program budgets.
- Population growth: Growth in population size has led to increased demand for healthcare services, necessitating additional investments to meet the needs of a larger population.
- Increased size of cohorts: As the number of individuals requiring treatment and care for diseases like HIV, TB, and malaria continues to rise, the size of cohorts requiring support expands, leading to

higher program costs.
- Scale-up of better-quality but more expensive diagnosis and treatment regimens: The adoption of improved diagnostic and treatment methods that offer better quality of care often comes with higher costs, requiring increased funding.
- Increasing ambition of delivering on the Global Fund Strategy: The Strategy outlines s ambitious targets, which may necessitate increased investment to achieve the desired impact.

Overall, these factors contribute to the rising costs of delivering high-quality programs, underscoring the need for adequate financial resources to effectively tackle global health challenges.

The current situation reveals significant gaps in funding for core interventions throughout the three-year grant period. The Secretariat has analyzed the scope of these gaps and is exploring potential solutions. The estimated funding shortfall is between $2-3 billion to sustain essential services for HIV, TB, and malaria.

Malaria faces commodity gaps, primarily in vector control (Insecticidal-treatment nets/ITNs), seasonal malaria chemoprevention (SMC), and case management (rapid diagnostic tests (RDTs), artemisinin-based combination therapy (ACT), Integrated Community Case Management (iCCM)). ITNs for mass campaigns make up the majority of these gaps, around 60%.

For TB, the commodity gap is primarily in screening, testing, treatment (drug-susceptible and drug-resistant), and prevention. Approximately 82% of the gap is related to TB diagnosis, specifically GeneXpert and Truenat cartridges.

HIV experiences commodity gaps for essential items, including antiretroviral therapy (ART) for some countries, as well as test kits, viral load monitoring, and advanced HIV commodities for pre-exposure prophylaxis (PrEP).

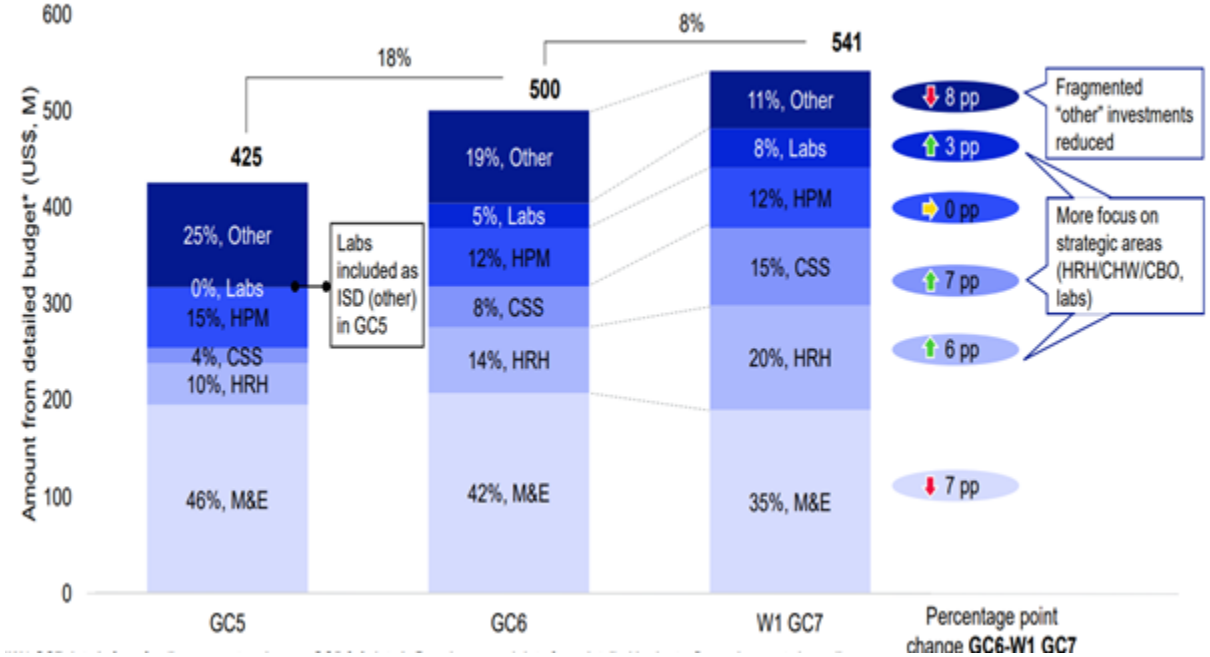
To address these gaps, the Secretariat plans to scrutinize budgets to identify efficiencies in grant-making and allocate funds to core interventions on the UQD Register. It will also make efficiency decisions during grant-making, such as standardizing products, deprioritizing operational research and prevalence surveys, supporting the transition to lower-cost and more effective regimens, and optimizing product selection to prioritize cheaper options when negotiations result in lower prices.

The Secretariat urges Country Coordinating Mechanisms (CCMs) and partners to join in advocating for domestic financing for health, which can help bridge the funding gaps and ensure sustainable healthcare services.

Composition of RSSH investments in GC7 Window1 better reflects RSSH's strategic focuses

Figure 9 shows direct RSSH investments for grants submitted in W1 such as monitoring & evaluation (M&E), human resources for health (HRH), community systems strengthening (CSS) , health product management (HPM), integrated service delivery (ISD), and financial management systems (FMS). Other terms include health sector governance, health financing, medical oxygen, and financial management systems.

Figure 9. Breakdown of RSSH direct investments by RSSH function



Stakeholder feedback

Many people appreciated the Secretariat's work on the Country Funding Update report.

Stakeholders acknowledged the positive feedback on the funding application process and the high success rate but emphasized that the quality of FRs needs improvement. They highlighted the need for stronger joint and integrated FRs and an increased focus on RSSH. They expressed concern over a funding gap of $2-3 billion for sustaining essential services and supported the Secretariat's proposed "principled efficiency decisions" in grant-making.

Some people emphasized the severe underfunding of TB services and the challenges faced by countries in providing them. They highlighted the importance of community participation, advocacy for health financing, and the need for tough prioritization in grant-making.

Overall, discussion underscored the need for increased funding, improved grant-making processes, community involvement, and the efficient allocation of resources to sustain essential health services and address the challenges faced in combating communicable diseases.

People acknowledged the TRP's and Secretariat's efforts to improve community involvement in GC7. However, the lack of data distinguishing between civil society, community-led organizations, and lay community groups makes evaluating community participation difficult. To ensure adequate monitoring, they suggested keeping track of the participation of key population groups. And national health promotion, while admirable, implies the delicate business of ensuring domestic funding for particular program components. This necessitates researching the country context to develop tailored advocacy programs.

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