



Independent observer
of the Global Fund

How the New Counterpart Financing Requirements Will Be Assessed

Compliance will be verified when proposals are submitted and at each periodic review

In May 2011, the Global Fund Board adopted new counterpart financing requirements for applicants. The requirements are not part of the eligibility criteria, but they are nevertheless mandatory. The requirements are contained in a policy document, and are explained in an information note, both issued by the Global Fund.

The counterpart financing requirements (previously called “cost sharing”) consist of three provisions:

1. meeting minimum counterpart financing thresholds;
2. increasing government contributions to disease programmes and health in absolute terms; and

Compliance will be verified when proposals are submitted and at each periodic review

In May 2011, the Global Fund Board adopted new counterpart financing requirements for applicants. The requirements are not part of the eligibility criteria, but they are nevertheless mandatory. The requirements are contained in a policy document, and are explained in an information note, both issued by the Global Fund.

The counterpart financing requirements (previously called “cost sharing”) consist of three provisions:

1. meeting minimum counterpart financing thresholds;
2. increasing government contributions to disease programmes and health in absolute terms; and

3. improving expenditure data.

With respect to the first provision, governments' contributions to the national disease programme must meet certain minimum thresholds. The precise thresholds depend on the country's income level.

With respect to the second provision, countries have to be able to show that the government contribution to the national disease programme and overall health spending is increasing each year. With respect to the third provision, countries are required to report to technical partners, each year, information on financing for the national disease programmes. The Global Fund's information sheet explains how data on disease programme and health spending should be reported.

Assessing whether applicants are compliant with the counterpart financing requirements will be done by the Technical Review Panel (TRP) each time an applicant submits a funding proposal; and by the Global Fund Secretariat each time an applicant submits a request for additional financial commitment (formerly called a "request for continued funding"). The request for additional financial commitment are submitted for each periodic review (which usually occurs once every three years).

TRP review when proposals are submitted

The TRP will review compliance with the counterpart financing requirements as part of its overall review of the proposal. According to the Global Fund Secretariat, the TRP will determine whether the counterpart financing requirements have been complied with; or, if they have not been complied with, whether the applicant has provided a "valid" justification and an "effective" plan to ensure compliance with the requirements during the proposal implementation period. How much time a country requires to become compliant will depend on the country's context and circumstances.

When reviewing compliance, the TRP can make one of three decisions: (1) accept the counterpart financing arrangements; (2) conditionally accept the counterpart financing arrangements; or (3) reject the counterpart financing arrangements.

If the TRP conditionally accepts the counterpart financing arrangements, it will either request clarifications or attach conditions (or both). If clarifications are requested, the applicant's response must be acceptable to the TRP. One example of a clarification the TRP might ask for is the provision of an action plan for meeting one or more of the requirements. An example of a condition that the TRP might impose is undertaking a disease spending study.

If the TRP rejects the counterpart financing arrangements for a particular proposal, it would not be able to recommend that proposal for funding. (In practice, this is unlikely to happen very often, at least in the next round or two of funding, because, as explained above, if the applicant cannot meet the requirements, it can explain why and say how it will meet the requirements.)

Secretariat review when requests for additional financial commitment are made

When an applicant submits a request for additional financial commitment, the Secretariat's Periodic Review Panel will assess whether the applicant is compliant with the counterpart financing requirements. If the Panel concludes that the requirements were not met during the implementation period being reviewed, the applicant will be required to justify non-compliance and to indicate how it plans to meet the requirements in the next implementation period.

When reviewing compliance, the Periodic Review Panel can make one of four decisions: (1) approve the request for continued funding on the basis that the country has complied with the counterpart financing requirements; (2) approve the request for continued funding but lower the recommended amount of

funding for the next implementation period to reflect any non-compliance with the required thresholds; (3) conditionally approve the request for continued funding; or (4) reject the request for continued funding based on non-compliance with the counterpart financing requirements or unsatisfactory justification of any non-compliance.

The Global Fund's policy document on eligibility criteria, counterpart financing requirements and prioritisation criteria is available [here](#). The Global Fund's Information Note on Eligibility, Counterpart Financing and Prioritization is available [here](#).

3. improving expenditure data.

With respect to the first provision, governments' contributions to the national disease programme must meet certain minimum thresholds. The precise thresholds depend on the country's income level.

With respect to the second provision, countries have to be able to show that the government contribution to the national disease programme and overall health spending is increasing each year. With respect to the third provision, countries are required to report to technical partners, each year, information on financing for the national disease programmes. The Global Fund's information sheet explains how data on disease programme and health spending should be reported.

Assessing whether applicants are compliant with the counterpart financing requirements will be done by the Technical Review Panel (TRP) each time an applicant submits a funding proposal; and by the Global Fund Secretariat each time an applicant submits a request for additional financial commitment (formerly called a "request for continued funding"). The request for additional financial commitment are submitted for each periodic review (which usually occurs once every three years).

TRP review when proposals are submitted

The TRP will review compliance with the counterpart financing requirements as part of its overall review of the proposal. According to the Global Fund Secretariat, the TRP will determine whether the counterpart financing requirements have been complied with; or, if they have not been complied with, whether the applicant has provided a "valid" justification and an "effective" plan to ensure compliance with the requirements during the proposal implementation period. How much time a country requires to become compliant will depend on the country's context and circumstances.

When reviewing compliance, the TRP can make one of three decisions: (1) accept the counterpart financing arrangements; (2) conditionally accept the counterpart financing arrangements; or (3) reject the counterpart financing arrangements.

If the TRP conditionally accepts the counterpart financing arrangements, it will either request clarifications or attach conditions (or both). If clarifications are requested, the applicant's response must be acceptable to the TRP. One example of a clarification the TRP might ask for is the provision of an action plan for meeting one or more of the requirements. An example of a condition that the TRP might impose is undertaking a disease spending study.

If the TRP rejects the counterpart financing arrangements for a particular proposal, it would not be able to recommend that proposal for funding. (In practice, this is unlikely to happen very often, at least in the next round or two of funding, because, as explained above, if the applicant cannot meet the requirements, it can explain why and say how it will meet the requirements.)

Secretariat review when requests for additional financial commitment are made

When an applicant submits a request for additional financial commitment, the Secretariat's Periodic

Review Panel will assess whether the applicant is compliant with the counterpart financing requirements. If the Panel concludes that the requirements were not met during the implementation period being reviewed, the applicant will be required to justify non-compliance and to indicate how it plans to meet the requirements in the next implementation period.

When reviewing compliance, the Periodic Review Panel can make one of four decisions: (1) approve the request for continued funding on the basis that the country has complied with the counterpart financing requirements; (2) approve the request for continued funding but lower the recommended amount of funding for the next implementation period to reflect any non-compliance with the required thresholds; (3) conditionally approve the request for continued funding; or (4) reject the request for continued funding based on non-compliance with the counterpart financing requirements or unsatisfactory justification of any non-compliance.

The Global Fund's policy document on eligibility criteria, counterpart financing requirements and prioritisation criteria is available [here](#). The Global Fund's Information Note on Eligibility, Counterpart Financing and Prioritization is available [here](#).

[Read More](#)
