

An Update on the Global Fund to Fight AIDS, Tuberculosis and Malaria

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Main decisions

- ✓ **New Funding Model:**
 - *Decision 1.* The approval of the design for the new funding model (NFM).
 - *Decision 2.* The immediate launch of transition to the NFM.
- ✓ **Full integration of the Affordable Medicines Facility – malaria (AMFm) into GF grant management and financial processes** (2013 will be transitional for AMFm Pilot Countries).
- ✓ **Appointment of new Executive Director** (Dr Mark Dybul).
- ✓ **Termination of employment** of John Parsons, **Inspector General**, with immediate effect.



New Funding Model (NFM)

NFM aims:

- to provide strategic direction to the Fund's portfolio more effectively;
- to increase the ability of the Fund to support national programs and to align with country-level schedules and priorities;
- to allow for a full expression of quality demand;
- to create more flexible processes; inter alia, to simplify the grant making and approval process;
- to more effectively leverage the funding and expertise of other organizations.

NFM will allow the Fund to focus on **countries with the highest needs** and **the least ability to pay**, while remaining global.



Establishment of Country Bands

All countries that apply for GF funding will be assigned to one of **4 country bands**, i.e. groups of countries that share certain characteristics, on the basis of ability to pay and disease burden. The composition of the bands will be reviewed at the beginning of each allocation period.

Band 1 Lower income High burden	Band 3 Higher income High burden
Band 2 Lower income Low burden	Band 4 Higher income Low burden

Allocation of Funding to Country Bands



The Board will undertake, on a regular basis, a strategic allocation of resources to Country Bands, and this will serve as the primary pool for funding grants. Such allocation will be based on a forecast of available resources approved by the Finance and Operational Performance Committee (FOPC).

3-step allocation procedure:

- 1) Allocation by disease;
- 2) Allocation to bands;
- 3) Split between indicative and incentive funding.

To calculate a nominal country share GF will use a **formula**

ability to pay + disease burden

The shares for each country in a given band will be added up to determine the total allocation for the band.



Indicative and Incentive Funding

Two streams of funding through one application process:

- a. **Purpose of Indicative Funding:** Indicative funding should ensure predictability for applicants, and should defend the Global Fund's aggregate investments in ways that go beyond the Continuity of Essential Services.
- b. **Purpose of Incentive Funding:** a portion of funds will be used to establish a funding stream to incentivize high impact, well-performing programs and the submission of robust, ambitious requests based on national strategic plans or investment cases.

Managing Unfunded Quality Demand

The GF Secretariat will maintain a register of unfunded quality demand. The demand will be prioritized for future finding should additional resources become available.

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Allocation and implementation periods

- The standard **length of each allocation period** – 3 years, that will be aligned with GF's 3-year replenishment cycle.
- At the beginning of an allocation period it will be determined how much funding is available for the entire period, and applicants may apply for this funding at any time during the period.
- The standard **length of grant** under NFM – 3 years. However, the Secretariat will have the flexibility to shorten or extend a little the duration of the grant.

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The Transition Phase to the New Funding Model

- Immediate launch of transition phase to test NFM elements.

Criteria for Participation:

- Significantly "underfunded" over the 2013-2014 period;
- At risk of service interruptions;
- Positioned to achieve rapid impact; and
- Diverse in areas including, but not limited to size, geography, capacity and proposal modalities (including non-CCM and regional applicants), such that lessons learned can be derived from all aspects of the funding model, including funding for underserved and most-at-risk populations (MARPs).

*Countries, including those not invited to participate in the Transition Phase, are nonetheless encouraged to work on developing **strong national strategies**, reflecting full expressions of demand, and beginning Country Dialogues and iterative processes to encourage Concept Notes to be ready to allow for funding, based on the replenishment, to begin in early 2014.*

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Appointment of Executive Director



Dr Mark Dybul, selected out of 4 shortlisted candidates, will assume his new role in February 2013 and is to execute it for 4 years.

Key Biography facts:

- At present codirector of the Global Health Law Program at the O'Neill Institute for national and Global Health Law, Georgetown University, Washington, DC.
- United States Global AIDS Coordinator from 2006 to 2009 (In that role, he led the implementation of the President's Emergency Plan for AIDS Relief [PEPFAR])
- oversaw U.S. government engagement in the Global Fund and was Chair of the Finance and Audit Committee (2007-2008).

"We have a window of opportunity today. If we are smart we can achieve those objectives."

Mark Debul

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Appointment of Executive Director

Reputation

Dr Mark Dybul is respected by many activists in US, however, many worry as there is some controversy about his time in the Bush administration related to abstinence policies and anti-prostitution pledges imposed by conservative lawmakers as well as concerning strict licensing requirements for generic drugs.

Plans

The newly elected ED is going to focus on the Global Fund's potential.

"My main task will be to maintain the strong forward trajectory of the organization, and to demonstrate value for money because that is what attracts people." (*the Lancet*)

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Termination of Employment of Inspector General

John Parsons ran OIG since January 2008.

Decision was made after considering various factors, including:

- IG performance review ;
- An independent external peer review of the audit functions; and
- A report to the Board from its Audit and Ethics Committee.

Next steps:

- Interim Inspector General will be appointed soon.
- The search of a new IG presumably will take 6 month.

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Other Changes in GF Core Structures

Board:

- The launch of Board Chair and Board Vice-Chair Nominations process (27th Board meeting, 13-14 September, 2012, Geneva, Switzerland).

Secretariat:

- Dr Debrework Zewdie, *Deputy General Manager, Head of the Strategy, Investment and Impact division*, returns to World Bank (New York).

The Next Board Meeting
Colombo, Sri Lanka, 18-19 June 2012

Thank you!