

## **UPDATE ON CURRENT ISSUES BEING DISCUSSED BY THE CIVIL SOCIETY DELEGATIONS AND THE BOARD OF THE GLOBAL FUND.**

The 35th Global Fund Board Meeting was held on 26-27th April in Abidjan, Côte d'Ivoire.

### **The main decisions made at the meeting were as follows:**

- **New Strategy:** The Board approved "The Global Fund Strategy 2017-2022: Investing to End Epidemics".
- **2015 Annual Financial Report:** The Board approved the 2015 Annual Financial Report, which includes the 2015 Consolidated Financial Statements audited by Ernst & Young, SA. The Board also approved the 2015 Statutory Financial Statements, also audited by Ernst & Young, SA.
- **Eligibility Policy:** The Board approved a revised Eligibility Policy.
- **Sustainability, transition and co-financing:** The Board approved a Sustainability, Transition and Co-Financing Policy.
- **Challenging Operating Environments:** The Board approved a Challenging Operating Environments Policy.
- **Allocation methodology:** The Board approved a methodology for the 2017-2019 allocations. The Board tasked its Strategy Committee with approving at its June 2016 meeting the method by which the Secretariat will report on the qualitative adjustments that are part of the methodology. The Board also tasked the Secretariat with presenting the initiatives that could be funded as catalytic investments to the Strategy Committee for the committee's meeting in June 2016.
- **Response to the OIG 2015 annual opinion:** The Board requested that the Secretariat present a detailed action plan to advance risk management and internal controls, with measureable and time-bound targets; and report on progress to the Board in June 2016.
- **Partner's Constituency:** The Board approved the addition of the Partnership for Maternal, Newborn & Child Health (PMNCH) to the membership of the Partner's Constituency on the Board.

### **Allocation Methodology**

The Global Fund Board has approved a methodology for determining the Country allocations for 2017-2019. The methodology does not differ significantly from the one used for the 2014-2016 allocations. The main differences are as follows:

- There will be no country bands (or country groups of any kind) used.
- No specific sum of money has been set aside for incentive funding or for regional proposals (though there will be funding available for both as part of a new pot of money for "catalytic investments").
- The qualitative adjustment for minimum required level will be replaced by a simplified system.
- A simplified system will be used to identify initiatives to be placed on the Unfunded Quality Demand register.

As it did in 2014-2016, The Global Fund will determine the amount available for allocation to countries based on how much money will be raised in the Fifth Replenishment minus the funds required to cover the Fund's operating costs. As before, an amount of money (\$800 million) will be reserved for special initiatives, except that this time they are being called "catalytic investments." All remaining funds will be used for allocations to countries.

### **Catalytic investments**

The catalytic investments will serve three purposes: (1) to provide a form of incentive (“beyond allocation”) funding; (2) to fund multi-country approaches; and (3) to fund strategic initiatives.

The beyond allocation funding will be used to push countries to “prioritize and direct country allocations towards key epidemiological and context-specific challenges to addressing the three diseases and build resilient and sustainable systems for health.” The Global Fund says that the approaches used to respond to these priorities should be driven bottom-up by countries rather than dictated by the Global Fund. But it also says that the priorities will be determined through consultations with relevant technical and community partners “to ensure funding is prioritized according to critical strategic needs and that applications are not burdensome to countries.” One aim of these funds will be to promote programming for key and vulnerable populations.

The idea is that any above allocation funds used for this purpose would have to be matched by funding from the country’s allocation.

### **Revised eligibility policy**

A three-year GNI per capita average will be used to determine income level classification for eligibility purposes (replacing the single year per capita numbers that have been used up to now).

The Eligibility Policy is used to determine which components are eligible to receive an allocation from The Global Fund. It is based on both income level and disease burden. This change will have minimal effect on country eligibility but will serve to moderate the rate of transition into and out of Global Fund eligibility for countries that experience significant annual fluctuations in their GNI per capita.

With acknowledgement to AIDSpan Issues 289 and 290.