

39th Board Meeting

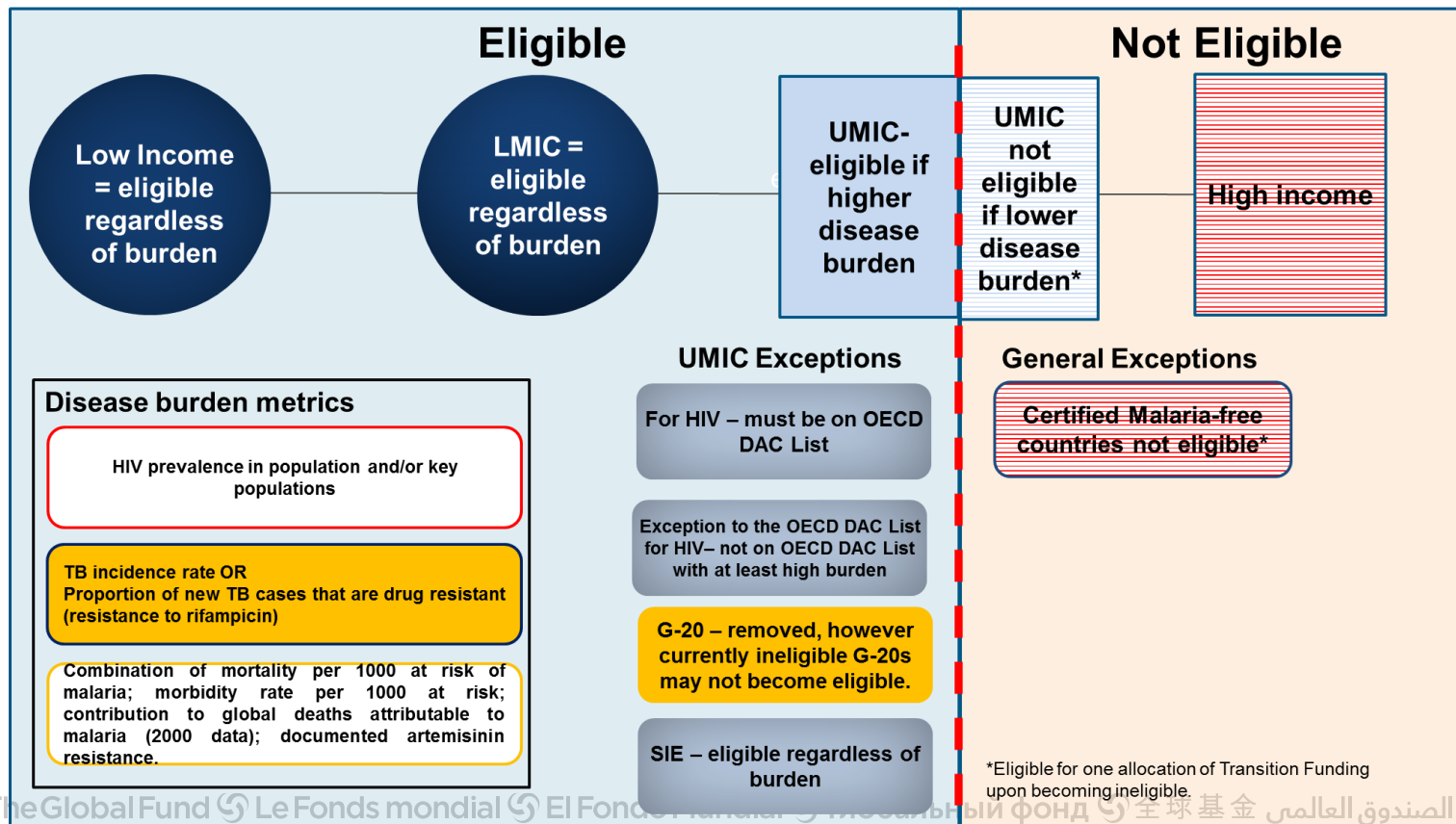
Revised Eligibility Policy

Skopje
09-10 May 2018 2017



This document is part of an internal deliberative process of the Global Fund and as such cannot be made public until after the Board Meeting

Revised Eligibility Policy



Purpose of the Eligibility Policy

What it does and what it does not do



- ✓ Determines which country disease components are eligible to receive an allocation.
- ✓ Allows for one additional allocation for up to 3 years (Transition Funding) for existing grants, once a country component becomes ineligible (exceptions apply).
- ✓ Describes eligibility requirements for multi-country grants



- ✗ Determine how much an eligible component receives as an allocation
- ✗ Determine catalytic investments or priorities
- ✗ Determine which country contexts are Challenging Operating Environments (COEs)
- ✗ Determine co-financing or application focus requirements
- ✗ Provide normative guidance on sustainability and transition planning
- ✗ Determine how we operationalize grants

Overview of Eligibility

How many economies are eligible?

Source: 2017 Eligibility List, income classifications use 3-year average GNI p.c.



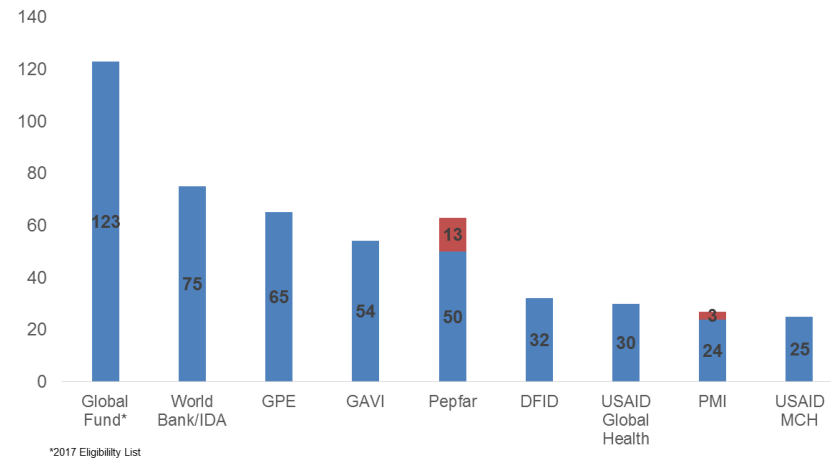
32/32
LICs

50/50
LMICs

41/56
UMICs*

*Number does not include 4 UMICs who are receiving Transition Funding noting they are technically ineligible.

Global Fund versus comparable Bi-lateral and Multi-lateral Financers



Areas where no changes are being proposed

1. Economic Capacity: Continued use of 3-year average of latest GNI per capita to determine income classification.
2. 51% rule for multi-country grants (minor change to make clear components that are receiving Transition Funding can be counted as eligible.)
3. Small Island Economy (SIE) Exception for UMICs
4. OECD DAC ODA Requirement for HIV for UMICs
5. All low and lower-middle income countries eligible regardless of burden.
6. Applicants regardless of income level are eligible to use their allocation for RSSH.
7. Malaria-free countries are ineligible.

Updates for rigor

Recommendations

Disease burden metrics and thresholds:

- ❑ Simplification of categories: from 5 to 2, one single UMIC threshold.
- ❑ Revised metrics/thresholds for TB: move from case notification to incidence and proportion of drug resistance.
- ❑ Minor adjustments to malaria thresholds: no change in outcomes
- ❑ Addressing malaria resurgence: no threshold, partners will do a risk assessment and make recommendation. Recommendation to become newly eligible will require Board decision.
- ❑ No change in HIV metric and UMIC thresholds, clarification on what we do in absence of official HIV burden data.

Special provisions for UMICs & Transition Funding

Recommendations

Special Provisions for UMICs:

- G-20 Rule: removed going forward, currently ineligible UMIC G-20s cannot become newly eligible.
- OECD DAC ODA Requirement for HIV - no change.
- Exception to OECD DAC ODA Requirement (“NGO Rule”): no change in scope, change from ‘political barriers’ to ‘barriers’, clarity on how Secretariat will assess barriers (in line with allocation cycle)
- Small Island Economy (SIE) Exception – no change.

Transition Funding:

- No change, one allocation of Transition Funding
- Restriction on G-20s who become ineligible removed.
- Codification of principle that Secretariat may request an additional allocation of Transition Funding.

Decision Point

Decision Point: GF/B39/DPXX: Approval of the revised Eligibility Policy

1. Based on the recommendation of the Strategy Committee, the Board approves the revised Eligibility Policy, as set forth in Annex 1 to GF/B39/02 (the “Revised Eligibility Policy”).
2. Accordingly, the Board:
 - i. Acknowledges that this decision point and the Revised Eligibility Policy supersede the decision point GF/B35/DP07 and the previous Eligibility Policy as set forth in Annex 2 to GF/B35/06 - Revision 1 (the “Previous Eligibility Policy”); and
 - ii. Notes that notwithstanding paragraph 2.i of this decision point, the Previous Eligibility Policy remains applicable to grant programs originating from the 2017-2019 allocation period.

Budgetary implications: None.