

# Objectives of Allocation Methodology

To support delivery of 2017-2022 Global Fund Strategy

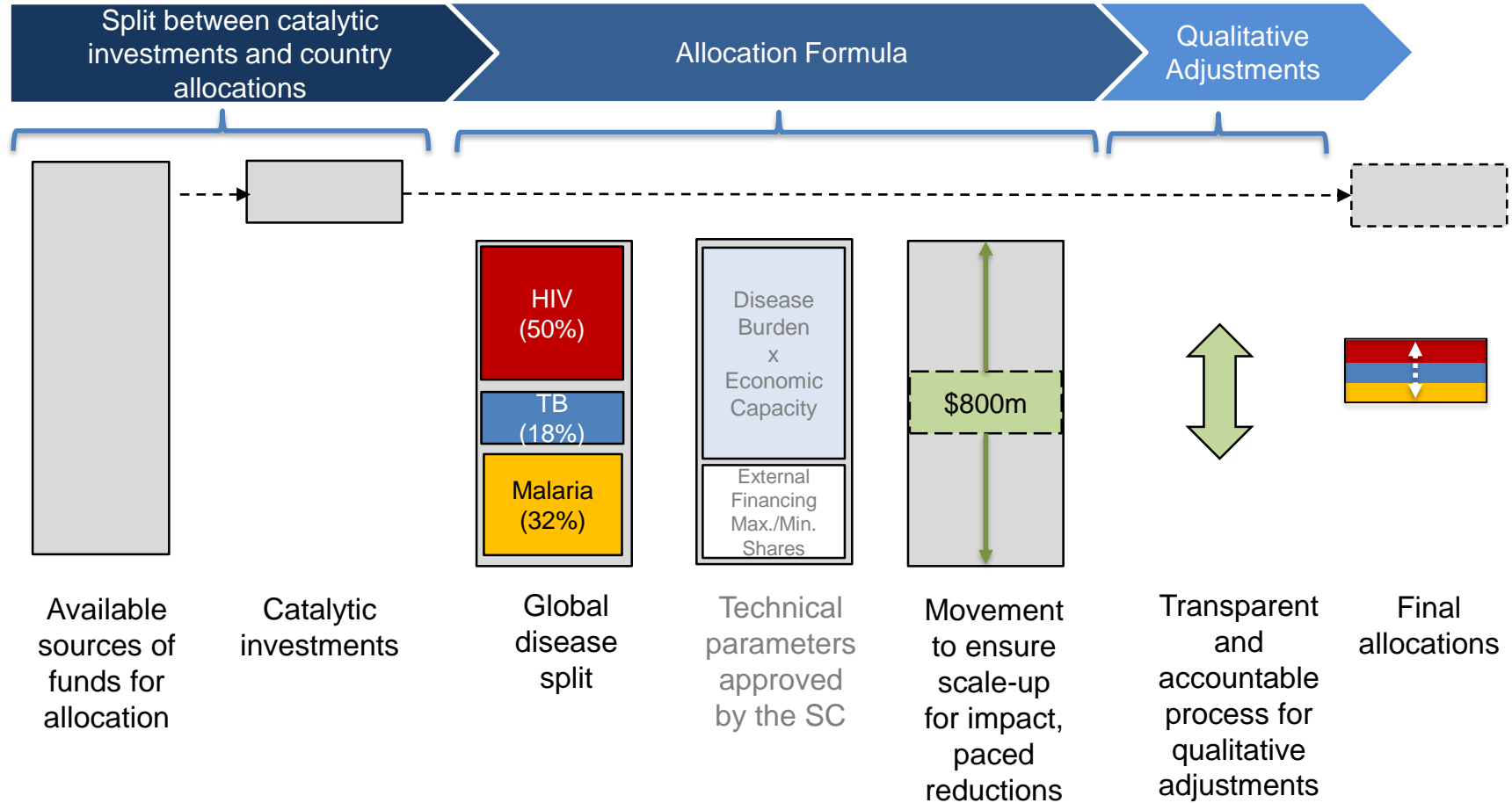
## Objectives

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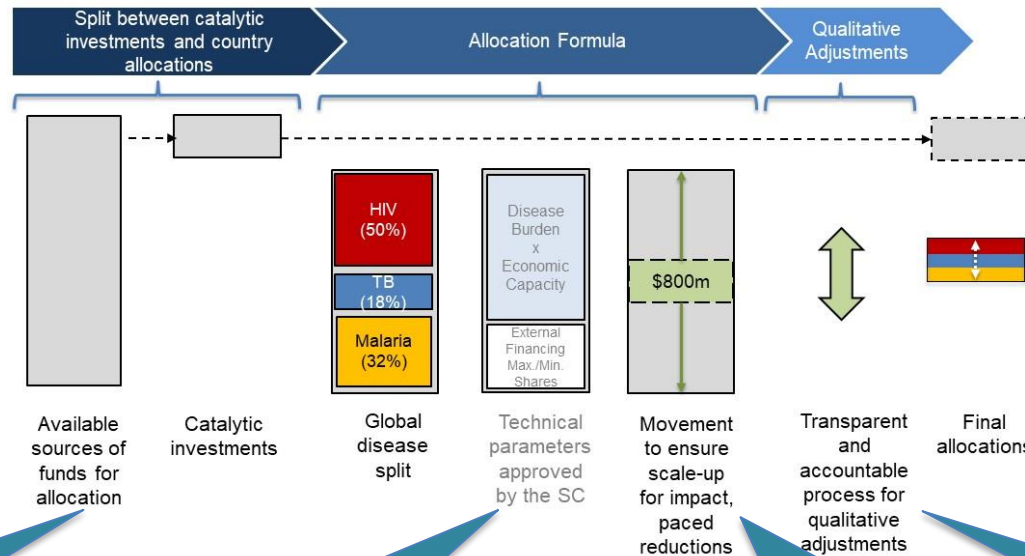
- Maximize the impact of Global Fund resources to prevent, treat and care for people affected by HIV, TB and malaria, and to build resilient and sustainable systems for health.
- Align Global Fund financing **with highest disease burden** and lowest economic capacity, and address **needs of key and vulnerable populations** disproportionately affected by the three diseases.
- Ensure predictability, flexibility, and simplicity of funding approach.

*Achieved through both country allocations and catalytic investments*

# Overview of the 2020-2022 Allocation Methodology for Board approval



# Summary of key changes proposed to the Allocation Methodology for 2020-2022



Separate decision point on catalytic investments

Revised malaria burden indicator approved by the SC

Update to the measurement of previous funding levels

Removal of details that will be decided by SC in July 2019

Split between catalytic investments and country allocations

## Separate decision point on catalytic investments

Minor revisions proposed to reflect that catalytic investments are addressed in a separate decision point

Recommend to maintain in the Allocation Methodology:

- Statement that amounts are set-aside for catalytic investments
- Aim of catalytic investments
- Role of the Board and the SC

Recommended change	Rationale
<p>Removal of references to specific amounts:</p> <ul style="list-style-type: none"> <li>• \$800m limit on catalytic investments</li> <li>• 15% cap for the use of available sources of funds for catalytic investments <u>and</u> to ensure scale up, impact and paced reductions</li> </ul>	<ul style="list-style-type: none"> <li>• Total amount of catalytic investments and any other relevant caps for a given allocation period will be captured in a separate decision point</li> </ul>

## Qualitative Adjustments

# Process and Timeline

### Secretariat:

- Develop framework to guide process
- Data collection
- Mock-up process

Replenishment  
conference

Qualitative  
adjustments  
applied by  
Secretariat

Full report to SC  
on all changes  
and rationale

SC report to  
Board on  
adjustments  
>15% & >\$5M

2019

April      May      Jun      Jul      Aug      Sep      Oct      Nov      Dec

**Board approves  
Allocation  
methodology 2020-  
2022**

Strategy Committee  
review & approval of  
qualitative factors &  
methodology

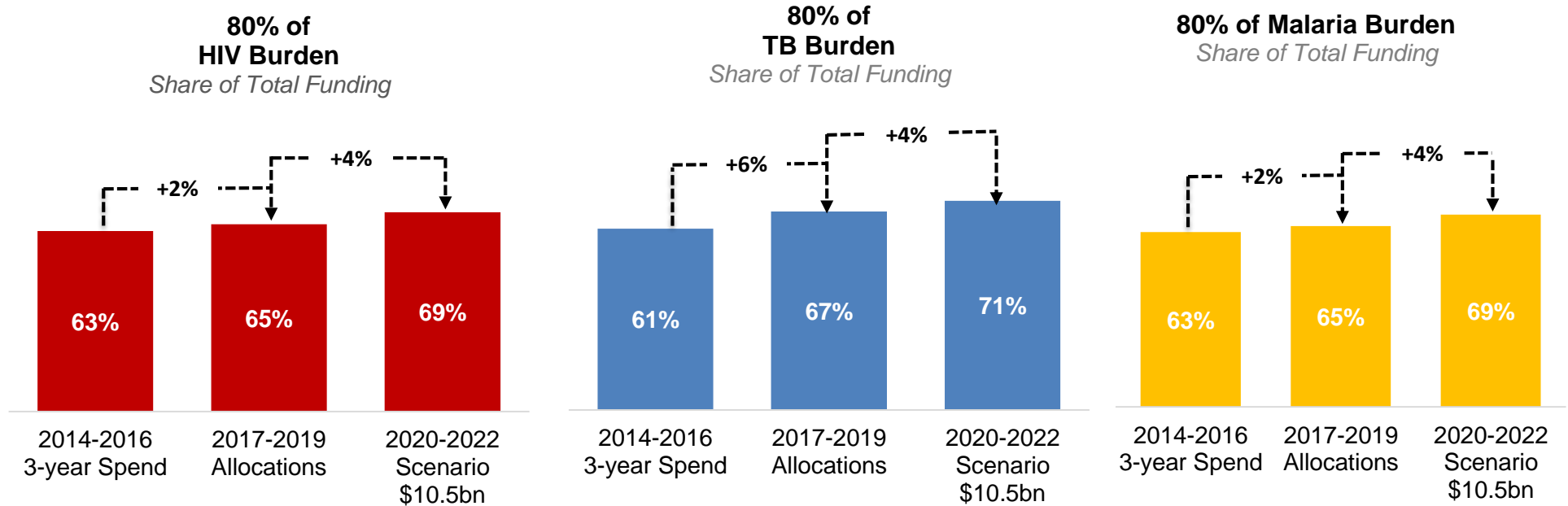
AFC  
recommendation  
on sources of  
funds for  
allocation

Board approval of  
sources of funds for  
allocation

Allocation formula run

# Scenarios of 2020-2022 Allocation Formula show increased alignment to burden in all three diseases

*Formula-Derived Amounts only, do not include potential qualitative adjustments*



*Note: Based on latest available data and assumptions. Highest burden components represent ~80% of total disease burden of all Global Fund eligible countries, calculated by disease burden indicators approved by the SC for the 2020-2022 allocation formula.*

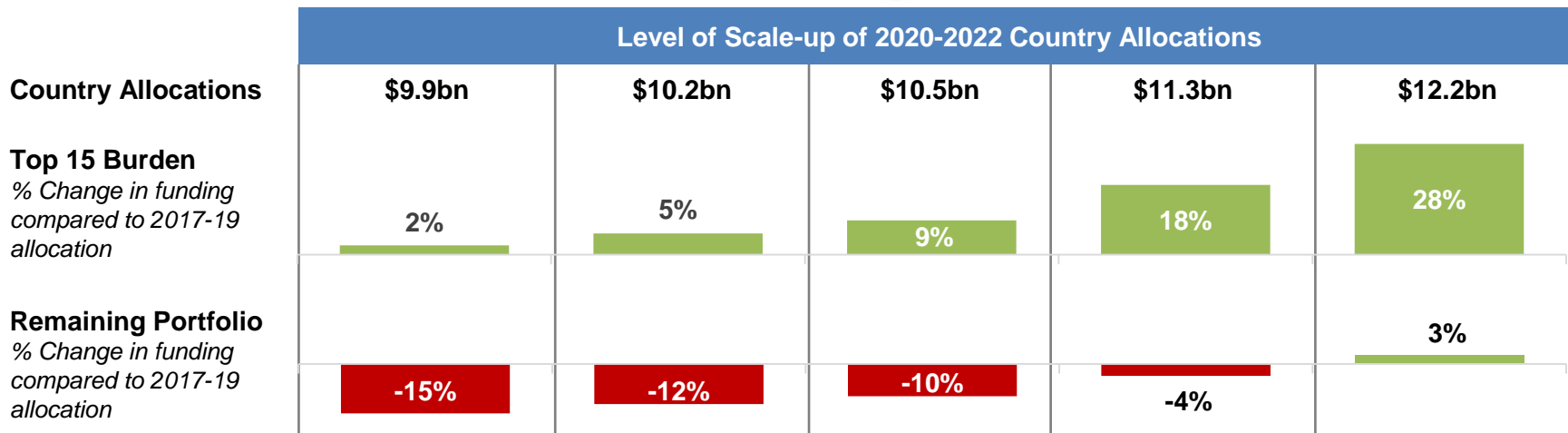
# Process for Determining Catalytic Investments: October 2018- March 2019

	1 Determining Catalytic Funding Amounts	2 Defining the Prioritization Approach	3 Reviewing the Evidence with Partners	4 Considering all Existing Levers	5 Finalizing the Prioritization Approach
Approach	<p>Modelling of allocation formula at different funding levels</p> <p>Analysis of level of scale-up in country allocations to achieve impact</p>	<p>Reaffirm principles of catalytic investments</p> <p>Define criteria to prioritize existing and newly proposed catalytic investments</p>	<p>Epidemiological developments</p> <p>KPI performance</p> <p>Implementation lessons learned</p> <p>Performance of 2017-2019 Catalytic Investments</p>	<p>Should priorities be addressed in country allocations with policy levers or catalytic investments?</p> <p>How should catalytic funding evolve?</p> <p>What are the new priorities needed?</p>	<p>Secretariat applied prioritization approach and grouped catalytic investments by funding scenarios</p>
Outcome	<p>SC recommended catalytic funding scenarios linked to ranges of sources of funds: \$200m, \$400m, \$600m, \$800m, \$900m</p>	<p>SC recommended prioritization criteria of:</p> <ol style="list-style-type: none"> <li>1. Strategic Impact</li> <li>2. Operational Considerations</li> </ol>	<p>Partners identified critical areas, continuing and new, to deliver GF Strategy and Global Plan targets</p> <p>Proposed list of Catalytic Investments</p>	<p>Secretariat deprioritized catalytic priorities it considered could be addressed in country allocations using existing policy levers</p>	<p><b>SC reviewed and recommended catalytic funding scenarios</b></p>

**1** Determining Catalytic Funding Amounts

Catalytic amounts were determined to complement a sufficient level of scale-up in country allocations based on modelling of various funding amounts

Scenarios of Various Funding Levels					
Sources of Funds	\$10.1bn	\$10.6bn	\$11.1bn	\$12.1bn	\$13.1bn or above
Catalytic Investments	\$200m	\$400m	\$600m	\$800m	\$900m
Country Allocations	\$9.9bn	\$10.2bn	\$10.5bn	\$11.3bn	\$12.2bn or above





# Recommended Catalytic investments for 2020-2022 to help achieve Strategic Objectives

**Aim of catalytic investments:** Support priorities necessary to maximize impact and use of available funds, that are unable to be addressed through country allocations alone yet are critical to deliver the Global Fund strategy.

## Strategic Objective 1

Maximise impact against HIV, TB, malaria

- HIV Key populations
- Finding Missing People with TB
- TB Multi-Country Approaches
- Malaria Elimination
- Malaria Drug Resistance
- Accelerated Introduction of New Nets
- Differentiated HIV Service Delivery
- TB Preventive Treatment
- Condom Programming

## Strategic Objective 2

Build Resilient and Sustainable Systems for Health

- Data
- Procurement and Supply Chain Transformation
- Service Delivery Innovations

## Strategic Objective 3

Promote and protect Human Rights & Gender Equality

- Human Rights
- AGYW
- Community Rights and Gender

## Strategic Objective 4

Mobilise increased resources

- Sustainability, Transition, and Efficiency
- RTS,S Vaccine
- Innovative Finance

**Cross-cutting:** TERG Independent Evaluations, Emergency Fund, CCM Evolution

Priorities recommended by the Secretariat in consultation with partners, under the oversight of the Strategy Committee

# Catalytic Investments Recommended by Strategy Committee for 2020-2022

	<b>Group 1</b> Priorities for \$200m scenario	<b>Group 2</b> Additional priorities for \$400m scenario	<b>Group 3</b> Additional priorities for \$600m scenario	<b>Group 4</b> Additional priorities for \$800m and \$900m scenarios
<b>HIV</b>	<i>Note: human rights recommended to evolve to cross-cutting in 2020-2022</i>	AGYW (MF)  Scaling up Community-Led Key Populations Programs (MF/MC)	Key Populations and Sustainability (MC) <b>NEW</b> Differentiated HIV Service Delivery (SI)  <b>NEW</b> TB Preventive Treatment for PLHIV (SI)	<b>NEW</b> Condom Programming (SI)
<b>TB</b>	Finding missing people with TB, including drug-resistant TB and preventive treatment (MF)	Targeted TA for finding missing people with TB (SI)	TB Multi-Country Approaches (MC)	
<b>Malaria</b>	Addressing drug resistance in the Greater Mekong Sub-region (MC)  Accelerated introduction of new LLINs (SI)		Malaria Elimination in Southern Africa (MC)  Regional coordination and targeted TA for implementation and elimination (SI)  Malaria Elimination 2025 Initiative (SI)	RTS,S (SI)
<b>RSSH &amp; Cross-cutting</b>	Data (SI) CRG (SI) Human Rights (MF + SI) Emergency Fund (SI) TERG Independent Evaluations (SI)	Sustainability, Transition and Efficiency (SI)  PSM Transformation (SI)	Service Delivery Innovations (SI)  Accelerated Introduction of Innovations (SI)  CCM Evolution (SI)	<b>NEW</b> Innovative Finance (SI)

*Note: All catalytic priorities proposed by Technical Partners are recommended by Strategy Committee.*

# SC-recommended Catalytic Funding Scenarios (US\$m)

Catalytic Investment	Modality	Priority Group	\$900	\$800	\$600	\$400	\$200
<b>HIV</b>			<b>\$201</b>	<b>\$169</b>	<b>\$112</b>	<b>\$46</b>	<b>\$0*</b>
AGYW	MF	2	\$56	\$50	\$38	\$24	x
Scaling-up Community-Led Key Population Programs	MF	2	\$50	\$45	\$35	\$22	x
Key Populations and Sustainability	MC	3	\$50	\$40	\$25	x	x
Differentiated HIV Service Delivery	SI	3	\$15	\$12	\$7	x	x
TB Preventive Treatment for PLHIV	SI	3	\$15	\$12	\$7	x	x
Condom Programming	SI	4	\$15	\$10	x	x	x
<b>TB</b>			<b>\$204</b>	<b>\$193</b>	<b>\$156</b>	<b>\$118</b>	<b>\$60</b>
Finding Missing People with TB, including drug-resistant TB and preventive therapy	MF	1	\$150	\$150	\$128	\$113	\$60
Targeted TA for innovative approaches for finding missing people with TB	SI	2	\$14	\$11	\$8	\$5	x
TB Multi-Country Approaches	MC	3	\$40	\$32	\$20	x	x
<b>Malaria</b>			<b>\$216</b>	<b>\$207</b>	<b>\$163</b>	<b>\$126</b>	<b>\$87</b>
Addressing Drug Resistance in the Greater Mekong Sub-Region	MC	1	\$120	\$119	\$101	\$90	\$65
Accelerated Introduction of New Nets	SI	1	\$50	\$50	\$43	\$36	\$22
Malaria Elimination in Southern Africa	MC	3	\$20	\$16	\$10	x	x
Regional Coordination and Targeted TA for Implementation and Elimination	SI	3	\$10	\$8	\$5	x	x
Malaria Elimination 2025 Initiative	SI	3	\$8	\$6	\$4	x	x
RTS,S Vaccine	SI	4	\$8	\$8	x	x	x
<b>RSSH and Cross-Cutting</b>			<b>\$279</b>	<b>\$231</b>	<b>\$169</b>	<b>\$110</b>	<b>\$53</b>
Data	SI	1	\$35	\$35	\$25	\$15	\$5
Community, Rights and Gender	SI	1	\$16	\$15	\$13	\$11	\$8
Human Rights	MF + SI	1	\$46	\$45	\$38	\$34	\$18
Emergency Fund	SI	1	\$20	\$20	\$17	\$15	\$10
TERG Independent Evaluation	SI	1	\$22	\$12	\$12	\$12	\$12
Sustainability, Transition, and Efficiency	SI	2	\$18	\$17	\$12	\$8	x
PSM Transformation	SI	2	\$20	\$20	\$17	\$15	x
Service Delivery Innovations	SI	3	\$47	\$38	\$23	x	x
Accelerated Introduction of Innovations	SI	3	\$10	\$8	\$5	x	x
CCM Evolution	SI	3	\$15	\$11	\$7	x	x
Innovative Finance	SI	4	\$30	\$10	x	x	x

\*Human Rights catalytic investment is evolving to cross-cutting in 2020-2022 but majority of funds will continue to support HIV implementation