



# ADVOCACY BRIEF: THE FUTURE OF THE GLOBAL FUND'S ALLOCATION METHODOLOGY 2020 - 2022

## 1. Introduction

In Women4GlobalFund's (W4GF) most recently webinar (click [here](#) to listen to the full recording) the Global Fund provided an overview of current thinking around the allocation methodology for the 2020-2022 funding cycle. This paper serves to provide an update W4GF Advocates on the Global Fund allocation methodology for the 2020–2022 funding cycle. It also seeks to highlight key recommendations from W4GF as the Global Fund continues to refine its allocation methodology.

## 2. Background on the current 2017-2019 allocation methodology

Under the current 2017-2019 funding cycle, the Global Fund's allocation methodology was refined to deliver impact in line with its 2017-2022 Strategy [Investing to End Epidemics](#) (with its Strategic Objective 3 to promote and protect human rights and gender equality) as well as to improve flexibility and simplicity. The 2017-2019 allocation increases funding to countries with higher disease burden, and lower income countries with less ability to pay.

The current allocation methodology is made up of two parts: country allocations (which is almost 93% of overall resources) and catalytic investments which are to catalyze the use of country allocations to achieve the aims of the Global Fund's 2017-2022 strategy. A total of US\$10.3 billion is earmarked for country allocations which is then further split by the three diseases (50% of resources for HIV, 18% for TB and 32% for malaria) and US\$800 million for catalytic investments with include Matching Funds (\$346 million), Multi-Country Approaches (\$272 million) and Strategic Initiatives (\$172 million).

*“Joint findings from the Technical Evaluation Reference Group (TERG), the Technical Review Panel (TRP) and the Secretariat on the 2017-2019 allocation period have concluded that the allocation methodology is effectively delivering on its objectives by increasing funds to countries of higher burden and lower economic capacity while accounting for populations disproportionately affected by the three diseases. While the Strategy Committee is not considering any major changes to the allocation methodology for the 2020-2022 allocation period, potential refinements are being discussed to ensure that the allocation formula continues to reflect the current epidemiological context and that key contextual factors are accounted for in the qualitative adjustments.”<sup>2</sup>*

The catalytic investments have been essential to communities most affected. The US\$800 million enables technical support for civil society at the national level; supports important regional communications platforms and focuses attention on specific areas and communities by incentivizing country allocations for priority areas around: key populations<sup>1</sup>, programs to remove human rights-related barriers to health services; adolescent girls and young women<sup>2</sup>; finding missing people with TB; and building resilient and sustainable systems for health. However, key challenges with the matching funds have been highlighted in part due to the lack of sufficient time between the Board approval of the catalytic priorities (November 2016) and the allocation announcement (December 2016).<sup>3</sup>

<sup>1</sup> sex workers, people who use drugs, gay men and other men who have sex with men and transgender people

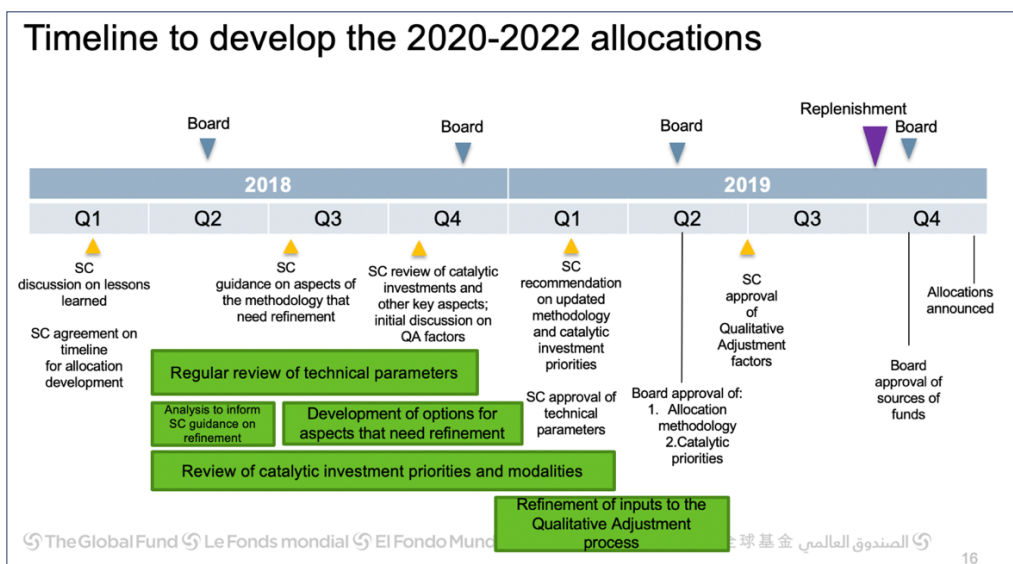
<sup>2</sup> 13 priority countries accessed matching funding to support adolescent girls and young women (Botswana, Cameroon, Kenya, Malawi, Mozambique, Namibia, South Africa, Lesotho, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe)

<sup>3</sup> 40th Board Meeting; Reviewing the 2020-2022 Allocation Methodology in Preparation for the May 2019 Board Decision; GF/B40/07; 14-15 November 2018, Geneva; [https://www.theglobalfund.org/media/8107/bm40\\_07-reviewing2020-2022allocationmethodology\\_report\\_en.pdf?u=636852021330000000](https://www.theglobalfund.org/media/8107/bm40_07-reviewing2020-2022allocationmethodology_report_en.pdf?u=636852021330000000)

### 3. Timeline to develop the allocation methodology

Whilst the Global Fund Board continues to approve, along with others, country grants in this funding cycle such as Egypt, Guatemala and Armenia (March 2019) it is also thinking ahead. Since the first quarter of 2018, the Global Fund’s Strategy Committee commenced a review of the current funding cycle. This review helps to develop and ensure that the 2020-2022 allocation methodology maximizes impact of resources through country allocations and catalytic investments. This review has focused mainly on the allocation formula, specifically qualitative adjustments and the catalytic investments. In light of the challenges around timing between decision making and implementation in this funding cycle, it is expected that the Global Fund Board will make a decision on catalytic priorities for 2020-2022 this May 2019—six months earlier than in the 2017-2019 cycle. The Board’s decision on the 2020-2022 allocation methodology and catalytic investment priorities will be made ahead of knowing what the replenishment amount will be (October – November 2019). For more on the timeline to develop the allocations see Figure 1 below.

**Figure 1: Global Fund slide presented on the W4GF Webinar: Timeline to develop the 2020 allocations**



### 4. Current thinking around the allocation methodology

The 2020-2022 allocation will continue to deliver the second half of Global Fund Strategy and the allocation methodology objectives remains specifically to:

- Scale up evidence-based interventions with a focus on the highest burden countries with the lowest economic capacity and on key and vulnerable populations disproportionately affected by the three diseases; and
- Evolve the allocation model and processes for greater impact, including innovative approaches differentiated to country needs.

The Global Fund continues to refine the following three aspects of the 2020-2022 allocation methodology:

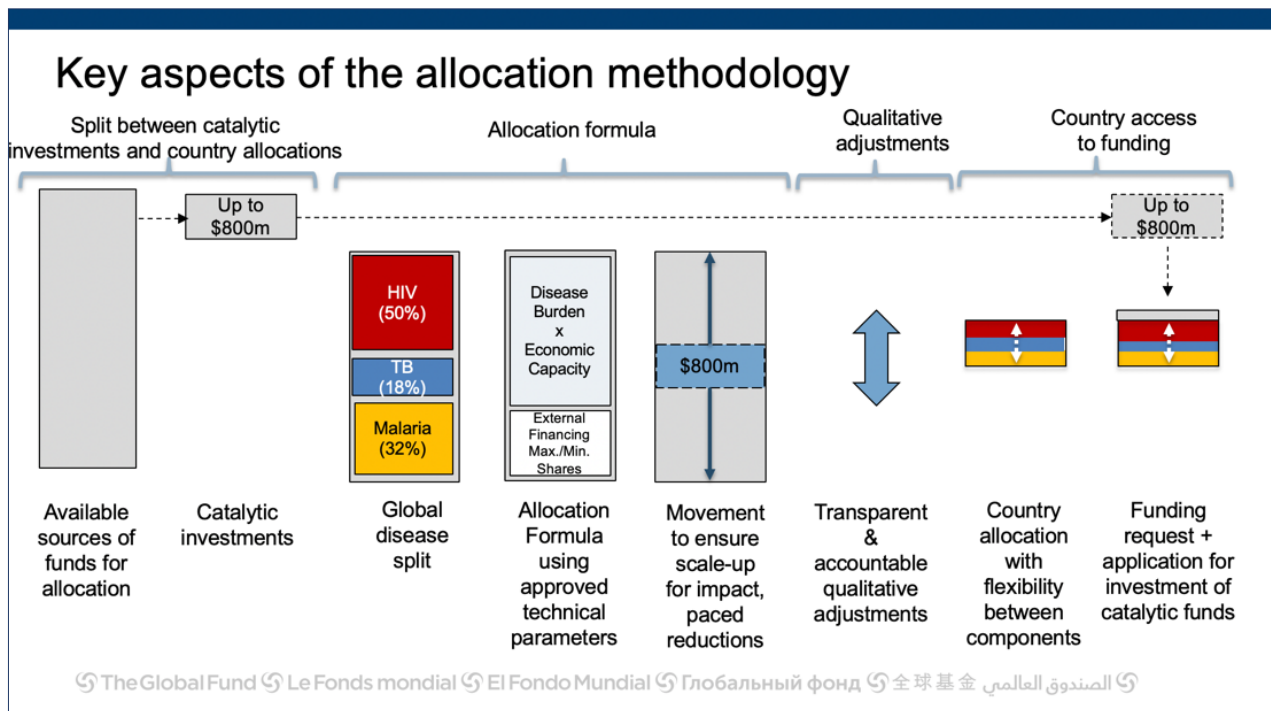
- **The allocation formula.** This key shift in the allocation formula will take into account the disease burden parameters for malaria, to account for country differences in population growth rates since the year 2000.
- **Qualitative adjustments.** Key adjustments are made to produce the final country allocation given that a formula cannot capture everything. These qualitative adjustments include two

stages: **Stage 1:** Assessing the epidemiological contexts such as populations disproportionately affected by HIV and those at risk of Malaria and **Stage 2:** Holistically adjustment for absorption and impact and other contextual factors such as cost of essential programming; coverage gaps; increasing rates of new HIV in lower prevalence countries; and risk of malaria resurgence. More of this will be decided by the Strategy Committee in July 2019. *The Secretariat reports all qualitative adjustments to the Strategy Committee, and changes of more than US\$5 million and 15% are reported to the Board immediately following the issuance of the allocation letters to countries.*<sup>4 5</sup>

**Catalytic investments.** The prioritization approach was suggested by the Strategy Committee and based on the lessons from the TERG and the TRP. The *key principles for this is maintained from 2017-2019 and are to: Invest to maximize impact and use of available funds*, to achieve the aims of the *Global Fund Strategy 2017-2022; Invest in priorities that are unable to be addressed through country allocations alone* yet deemed crucial to ensure Global Fund investments are positioned to deliver against its strategic aims.

*Based on these principles the Process includes:* **Prioritization:** based on the above principles, existing and new catalytic priorities will be prioritized according to two sets of criteria: strategic impact and operational considerations and **Outcome:** catalytic priorities will be grouped by indicative funding amounts so that they can be approved early to ensure timely implementation.

Figure 2: Global Fund slide presented on the W4GF Webinar: Key aspects of the allocation methodology.



<sup>4</sup> GF/B36/ER05, [https://www.theglobalfund.org/media/6445/bm36\\_edp05\\_annex\\_en.pdf](https://www.theglobalfund.org/media/6445/bm36_edp05_annex_en.pdf)

<sup>5</sup> 40th Board Meeting; Reviewing the 2020-2022 Allocation Methodology in Preparation for the May 2019 Board Decision; GF/B40/07; 14-15 November 2018, Geneva; [https://www.theglobalfund.org/media/8107/bm40\\_07-reviewing2020-2022allocationmethodology\\_report\\_en.pdf?u=636852021330000000](https://www.theglobalfund.org/media/8107/bm40_07-reviewing2020-2022allocationmethodology_report_en.pdf?u=636852021330000000)



The 2020-2022 allocation formula includes the same previous technical parameters (disease burden; country economy capacity; maximum and minimum shares; and external financing) with one change.

**NEW:** Technical partners recommended updating the malaria burden indicator to:

- Account for population growth differences since the period of peak burden
- Better reflect the period of peak burden, which is now understood to be over the 2000-2004 period and varies by country.

*Scale-up and paced reductions. The Initial Calculated Amounts (ICA) of the formula are adjusted to ensure a minimum level of scale-up while providing responsible, paced reductions*

- *Up to \$800 million moved across the portfolio to mitigate steep decreases in funding*
- **Scale-up components:** *Components where funding for the previous allocation period is **lower** than what the formula calculates for them for the current allocation period.*
- **Paced reduction components:** *Components where funding for the previous allocation period is **higher** than what the formula calculates for them for the current allocation period.*

## 5. Recommended catalytic priorities

The recommended catalytic priorities are still to be finalized by the Strategy Committee and then to be approved by the Global Fund Board. As presented by the Global Fund on W4GF's recent webinar, these are currently:

- HIV catalytic priorities will focus on prevention - reducing incidence and improving program quality
- TB catalytic priorities will contribute to the target of finding and treating 40 million people with TB by 2022
- Malaria catalytic priorities will focus on the critical threat of drug resistance: Addressing drug resistance in the Greater Mekong Sub-region; Accelerated introduction of new LLINs; Malaria Elimination Multi-Country and regional coordination and specific technical assistance for implementation support and malaria elimination
- Building resilient and sustainable system for health (RSSH) and cross-cutting will focus on Systems strengthening and service delivery and community, rights and gender.

For more detail on the current thinking and the specific recommendations to be made to the Global Fund Board (which could change), click [here](#) to listen to the W4GF webinar recording – This is presented at [30.13 minutes in](#)).

*This box provides a snapshot of key impacts achieved with matching funds as documented by The Eastern Africa National Networks of AIDS Service Organizations (EANNASO) The Anglophone Africa CRG Platform. In some countries matching funds have:*

- *Improved the integration of school and/or community-based approaches to delivering services to adolescent girls and young women at increased risk to HIV*
- *Increased investment in community-led monitoring and put in place mechanisms for key populations to provide oversight and give feedback as service recipients*
- *Invested in programs that reduce stigma (including self-stigma) and discrimination; and those that strengthen access, uptake and retention in services*
- *Enabled legal literacy programs on human rights, support programs facilitating justice and redress and programs informing and sensitizing law-makers and law enforcement agents about law in the HIV response*
- *Supported programs that address gender inequality and gender-based violence as causes of HIV*
- *Increased the number of people accessing TB and drug resistant TB diagnosis through innovative programs funded to reach missing population.*



## 6. W4GF perspective and recommendations

As W4GF Advocates, we are encouraged by the recommended catalytic priorities and affirm the focus, and investments to address the challenges faced by specific populations living with, and/or affected by HIV, TB and malaria. W4GF welcomes the current thinking around the catalytic priorities especially the following:

- Retaining the matching funds modality with a specific focus on adolescent girls and young women, human rights and key populations.
- Including differentiated service delivery as a catalytic funding priority, which will increase uptake, quality and efficiency of HIV treatment.
- Reduce cross-cutting barriers to accessing TB and malaria services. Previously, human rights matching funds were narrowly focused on HIV.
- Evolving the TB targets in line with ambitious global targets introducing a new catalytic priority to provide TB preventative therapy for people living with HIV and maintaining the TB Strategic Initiative which provides important technical assistance to develop innovative and community-based approaches.
- Accounting for population growth and applying this to formula for malaria allocations and supporting the roll out of the [Malaria Matchbox](#).
- Maintaining the Emergency Fund, which ensure continuity of essential HIV, TB, and malaria services that are at risk of interruption in situations such as conflicts, natural disasters, or other disease outbreaks.

We urge the Global Fund Board to adopt these recommendations which will lead to interventions in countries that go beyond important biomedical approaches commonly supported by the Global Fund and other key partners such as PEPFAR. The catalytic investments will move countries towards strengthening the response to HIV, TB and malaria by supporting programs that address gender inequalities and gender-related risks and removing gender and other human rights related barriers, including criminalization, punitive laws and policies, that prevent women and girls, and especially key populations, from accessing health services and being treated with dignity and respect.<sup>6</sup>

We understand that the operationalization of matching funds is still being reviewed based on the learning from this funding cycle. As this process moves forward to be approved in May, we take this opportunity now to reaffirm key principles important to W4GF Advocates. We believe the following are essential and must be explicit to respect our rights and benefit women and girls in all our diversity<sup>7</sup> and in turn to enable the Global Fund to deliver on its Strategy and strategic objective to promote gender equality and human rights.

We request that the Global Fund:

- **SUSTAIN THE GAINS:** The allocation methodology and the catalytic priorities must continue to strengthen and sustain the gains made. Countries that received matching funds should be funded at the same level or higher than in the previous allocation cycle.

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<sup>6</sup> [Accelerate progress—sexual and reproductive health and rights for all: report of the Guttmacher–Lancet Commission](#), May 9, 2018

<sup>7</sup> **What do we mean by diversity?** Women in all our diversity are those of us who are engaged at global; regional and national levels in Global Fund processes and structures in key regions most affected by HIV, TB and malaria. We are not homogenous, and we include women living HIV, affected by TB and malaria; heterosexual; lesbian and bisexual; transgender; women who use drugs; sex workers over 18 years old; adolescent girls and young women; Indigenous; sometimes displaced; migrants and are/have been incarcerated; and women with disabilities.



- **MEANINGFUL ENGAGEMENT IS NON-NEGOTIABLE:** In many countries matching funds opened another pathway (beyond the county dialogues) for communities of women and adolescent girls and young women to engage in development of the funding request and to monitor and provide feedback during grant implementation. The Global Fund AND technical partners must support and enable active participation of networks of women and girls in all our diversity, directly affected by HIV, TB and malaria in all stages of funding request development, implementation and evaluation. Meaningful participation of networks of women and girls is a prerequisite to achieve effective implementation of interventions supported by the allocations and the catalytic funding. Stronger partnerships and meaningful participation of women in all our diversity, and those who champion gender equality is not negotiable.
- **ENSURE THE MODEL OF DIFFERENTIATED SERVICE DELIVERY IS TRULY CATALYTIC:** Ensure that the differentiated service delivery model supported by catalytic funds does not let governments off the hook regarding the right to health as a fundamental principle for women in all our diversity. Differentiated service delivery must not dilute the demand for governments to increase funding for quality, comprehensive HIV, TB and malaria responses that are grounded in human rights-based approaches. Whilst differentiated service delivery becomes a priority for catalytic funding, service delivery and addressing human rights for key affected women and programmes that are gender responsive should be part of core Global Fund grants and never pushed aside to catalytic funding.
- **ENSURE THAT HUMAN RIGHTS PROGRAMMES (FUNDED BY THE GLOBAL FUND) ALSO ADDRESSES EQUALITY FOR WOMEN FROM KEY POPULATIONS:** Within programmes that support key populations, more focused funding and support is required for women from key populations including sex workers; women who use drugs and transgender women who are, in many countries, marginalized and criminalized or struggling with poor health outcomes due to punitive laws, policies and practices.
- **REMUNERATE COMMUNITY-BASED RESPONSES FOR WOMEN:** As called for by W4GF many times before - investments towards the meaningful engagement and participation of communities, shaping and driving the response, has led to many gains - including leveraging 'lived experience' and an understanding of what does/does not work for women in communities. Communities of people living with and/or affected by HIV, TB and malaria have delivered effective services that reach marginalized populations of women. These gains must not be lost and should be accelerated for greater impact.<sup>8</sup> Investment in community-led responses for women and girls should also be accelerated for greater impact. Investment should be prioritized especially for programmes and interventions that are linked to the improved effectiveness of community-led responses, especially amongst groups and communities of women and girls.
- **CATALYTIC FUNDING MUST SUPPORT COMMUNITY GROWTH:** Catalytic funding must support programmes that specifically build the capacity of women in our diversity to lead community-led organizations and networks responding to HIV, TB and malaria. It must also include women in the development of baseline; quarterly; and end of programme evaluations that track the implementation of programmes for women and adolescent girls and young women in all our diversity.

*This document was drafted by the W4GF Secretariat and reviewed by: Dr Gemma Oberth, W4GF Advisory Group Member, South Africa; Ms. Immaculate B. Owomugisha Uganda Network of Law, Ethics and HIV/AIDS (UGANET), Uganda; Ms. Lucy Wanjiku Njenga, Positive Young Women Voices, Kenya; Melissa Hope, Consultant, USA; Dr. Nevilene Slingers, Executive Manager: Donor Co-ordination, South African National AIDS Council (SANAC) Trust, South Africa; Ms. Olive Edwards, Positive Women's Network, Jamaica; Ms. Olive Mumba, Executive Director, EANNASO, Tanzania; Mr. Revanta Dharmaraja, Lead Global Fund, Frontline AIDS; and Ms. Zelda Nhlabatsi, Executive Director, Family Life Association of Eswatini.*

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<sup>8</sup> [ICASO/W4GF Advocacy Brief – August 2015 - Strengthening Community Responses Community Systems Strengthening \(CSS\) In the Global Fund Strategy 2017 – 2021](#)



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