



## Q&A with Global Fund Secretariat on Investment Case Summary

### Notes from GFAN Call – January 21<sup>st</sup> 2019

GFAN hosted a call of key Global Fund Secretariat staff about the recent launch of the Investment Case Summary ahead of the expected release of the full Investment Case. Françoise Vanni (Head, External Relations), Dianne Stewart (Head, Donor Relations) and Johannes Hunger (Head, Strategic Information) joined the call and shared key thoughts as well as a short presentation around some of the key points relating to the methodology used in the Investment Case.

Françoise Vanni described the last-minute circumstances in the first week of January that led to the Global Fund Secretariat deciding to take advantage of what they felt was a key opportunity for the profile of the Replenishment and the Investment Case; i.e. to have President Macron of France launch the Investment Case. This was several weeks earlier than expected and so while discussions had taken place for a different sequencing, which included communities and civil society having embargoed access to the Investment Case prior to its launch, they had to make the most of the opportunities in front of them and all the timelines and processes have been changing.

Johannes Hunger then went through the brief presentation here which shows some of the key assumptions and data utilized in the Investment Case; much of which will be further fleshed out when the methodology is released in full alongside the full Investment Case. A few key pieces of information from the presentation according to Mr Hunger:

- The clear parameters of the investment case is to make the case to raise the funds necessary to meet the Global Fund Strategy targets
- the modelling is what gives the light blue line in the charts (slide 4) and for the modelling the assumptions are that funding is used strategically and allocated efficiently across interventions in each of the programs and that GF monies are distributed optimally across all 3 diseases
- Their target is the minimum amount that sets us up for our 2030 targets. The resource need estimates will have us back on track by 2023. Numbers assume domestic resources will grow by 12% EVERY YEAR to get back on track by 2032. (slide 5)

- the DIPI index (the basis for their domestic resource increase calculations) has both economic growth and normative elements as part of its calculations – both economic growth and the explicit assumption that countries will increase their domestic funding  
DIPI was also used in 2016 for the 5<sup>th</sup> Replenishment and found it to be at least somewhat reliable (slide 7)

Dianne Stewart wrapped up the presentation portion of the call by sharing that the Secretariat is listening through this and other conversations to all our questions and planning a very comprehensive Q&A style document. She also provided additional clarification to an issue many advocates had approached GFAN about which was whether the US\$12.2 billion raised at the 5<sup>th</sup> Replenishment referenced in the Investment Case summary included the funds that remained from the 4<sup>th</sup> Replenishment period (amounting to approximately US\$1.1 billion): it does not. Those remaining funds were carried over and allocated but are not included in that figure of US \$12.2 billion.

### Q&A Session

A Q&A session followed the presentations and remarks by the GF Secretariat.

**PLEASE NOTE: The following is meant to capture the essence of the questions raised and answers provided – it should not be understood as or serve as a transcript.**

1. We still don't have the methodology. When it comes out, we may have more questions. Can we agree (as GFAN) to collect these questions and share them with you to get answers?
  - will commit to answering all the questions and happy to share the answers in writing, some of the questions will be answered when we get the FULL investment case, which we will get by the end of this week.
2. If we understand US \$12.2billion as the corrected outcome of Montreal – how is the US \$14 billion ask in the Investment Case to be understood as anything more than maintenance of current or 5<sup>th</sup> Replenishment levels of available funding?
  - Estimate of the impact we can make collectively. Need to look at the totality of the resources. We do assume that the majority will come from domestic financing. Data from the last 10 years shows that domestic funding is what has been scaling up. Need to look at the totality and the way it is laid out in the investment case.

3. Domestic Resources – where are the commitments coming from? Are they in fact real and true increases in spending or are they being allocated from elsewhere – which could be problematic. Following an initial explanation, the additional question was asked that if the numbers are based on commitments made in concept notes – how do these commitments translate into actual expenditures?
  - The Global Fund relies on the data provided in agreements via the co-financing policy and this data is very solid.
  - The DRM ask is very ambitious but is based in trends that the GF has seen and has a sense is reliable.
  - 90% of the commitments under co-financing policy are being met. And the ones that are off are not too far off. Johannes said he could provide us more statistics/data on this.
  
4. It should be important to understand what the break down is by disease in terms of those key mortality and incidence charts contained in the Summary. Why do you think that that the combined graphs are easier for donors to understand instead of individual disease graphs? These seem more complicated?
  - If we had to break down by disease would be 6 charts instead of 2. And wanted these to show strategy targets and this was simply a Summary: there will be disease specific charts in Investment case.
  
5. What diseases and countries will suffer the most with the 18billion gap?
  - Don't take this as a reality. We don't want to use these modelling projections at the country level or make any predictions like this.
  
6. More clarity on the DIPI methodology – when it has been used, what it is more specifically and what the various elements are was requested.
  - This comes from UNAIDS. Calculating each country and each disease. Assuming countries are catching up by 2030 (this is part of the normative element of the calculation as previously mentioned) . Methodology have quite a bit of data on, and it works very well on the portfolio level.
  
7. How much of an increase will \$14bn be in real dollars?
  - Increase is an additional 1.8 billion more than they have asked in previous investment case. It is an increase ask to donors but not implementing countries as a similar increase was accounted for in the Investment Case in the 5<sup>th</sup> Replenishment. There will be LESS carryover, so that will impact the numbers.
  
8. How are GF signaling to donors that the target is a floor? And how will you prioritize any money spent above the 14 billion?

- Donor conversations all start with an increase – and always have a “how high can we go?” Donor strategies are different for each market. Conversation starter always starts with this is a 15% increase. Getting donors to talk amongst themselves and get them to convince each other to increase is an important part of the strategy.
- 14 billion is a minimum. He (Johannes) has personally reviewed the numbers. Positioned it as a minimum. And every additional dollar would bring us closer to the dark blue lines in the graph which are the Global Plans.
- Do say in summary and investment case – 14 billion is the FLOOR. Any additional money they are able to raise will go further to closing the gap and get us on a faster trajectory to 2030. GF have to set a target that gets us to the strategy goal and that is how the methodology has been defined.
- Difficult to have allocation methodology conversations when trying to raise money because it gets them off the conversation they want to be having. Catalytic funding will be determined by the next board meeting and we cannot influence or comment on that process now.