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CONCEPT NOTE

The Global Fund to Fight AIDS, Tuberculosis and Malaria

Since the early 1990s, nearly 100 global health initiatives, or GHIs, have emerged as large, influential, multilateral organized efforts that raise and disburse funds for health. GHIs have reshaped the global health landscape by providing increased resources for key interventions such as antiretroviral therapy for HIV/AIDS or bednets to protect against malaria. In general, GHIs are vertically oriented—focused on a single disease (e.g., onchocerciasis, tuberculosis, or malnutrition) or even a single intervention within a disease (e.g., pediatric HIV treatment). GHI-supported activities have also placed new demands on health systems, revealed significant weaknesses, and rekindled policy debates on how countries can best combine disease-specific programs with broader agendas to improve the health of their citizens (i.e., via primary health care). GHIs include, for instance, the Roll Back Malaria (RBM) Partnership, the Global Polio Eradication Initiative, the President's Emergency Plan for AIDS Relief (PEPFAR), the Global Alliance for Vaccines and Immunisation (GAVI), and the Global Fund to Fight AIDS, Tuberculosis and Malaria ("Global Fund"). This note will focus on the Global Fund.

The Global Fund to Fight AIDS, Tuberculosis and Malaria was created in 2002 as a public-private partnership and international financing institution to attract and disburse resources to prevent and treat HIV and AIDS, tuberculosis (TB), and malaria. As of June 2011, the Global Fund had committed USD 22.7 billion in 150 countries to support prevention, treatment, and care programs for its three target diseases. The Global Fund estimated that it was providing treatment for HIV/AIDS to over 3 million people in 2010. Since 2002, it had provided TB treatment to roughly 7.7 million people and distributed 163 million insecticide-treated nets to prevent malaria (see **Exhibit 1** for regional programmatic results).¹

Organization Overview

At the end of the 1990s, global leaders sought ways to increase public and private health investments to prevent and treat three diseases: AIDS, TB, and malaria. In 2000 it was estimated that there were 350 million to 500 million clinical episodes of malaria, 8.3 million new cases of TB, and about 125 new cases of HIV per 100,000 people globally.²⁻⁴ In light of the number of effective and available interventions to prevent and treat these diseases, world leaders believed it was possible to mitigate their global impact. During a 2000 meeting in Okinawa, Japan, the Group of Eight (G8) countries acknowledged a need for resources to prevent and

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treat the three diseases, and a group of African leaders echoed this need at a summit held in Abuja, Nigeria, in April 2001. At the Abuja meeting, former United Nations Secretary General Kofi Annan called for the creation of a global fund to channel resources; in June 2001 a United Nations General Assembly Special Session on AIDS committed to creating such a fund. The G8 endorsed the fund's creation during a meeting in Genoa in July 2001 and helped to finance the fund. A permanent Secretariat was established in January 2002 and in April 2002 the Global Fund Board approved the first round* of grants, totaling USD 378 million to 31 countries.

Prior to the formation of the Global Fund, there was no multilateral investor for health. The Global Fund was unique in that its funding process required coordination between governments, civil society, the private sector, and communities affected by disease. The Global Fund's grant structure was designed to promote country ownership and performance-based funding. Using a performance-based financing model, the Global Fund provided financing on the condition that verifiable results or targets were achieved.

Financing

Donations from the G8 countries financed the Global Fund, with the United States being the largest donor (see **Exhibit 2** for contributions of top 20 donors). Pledges from donor governments represented 95% of all commitments to the Global Fund since its creation in 2002. From 2002 to 2015, 54 donor governments pledged USD 28.3 billion to the Global Fund, of which USD 17.2 billion had been disbursed by May 2011.¹ Pledges from the private sector and from innovative financing initiatives, such as UNITAID,[†] which raises funds from a levy on airline tickets, constituted the remaining 5% (or USD 1.6 billion) of funding pledged to the Global Fund.

The Global Fund's priorities included high standards of accountability and transparency. Global Fund-supported programs are provided with initial funding based on the quality of the application the Country Coordinating Mechanism (CCM; described on page 3) submits. Global Fund grants typically span five years and are disbursed in two phases: Phase 1 and Phase 2. Phase 1 covers a two-year period, and Phase 2 usually spans a three-year period. The initiation of Phase 2 funding is contingent on the country's demonstrated ability to manage its Phase 1 funds and achieve its performance targets. The country proposes its performance targets during the grant application process, and the Global Fund approves them prior to signing the grant agreement, thereby ensuring that performance targets are appropriate to the country context and any programmatic constraints. Over the course of each phase, funds are usually disbursed every three to six months.⁵⁻⁸

The Global Fund developed its system of performance-based funding to:¹

- ◆ Link funding to the achievement of country-owned objectives and targets
- ◆ Ensure that money is spent on delivering services for people in need
- ◆ Provide incentives for grantees to focus on programmatic results and timely implementation

* The Global Fund periodically issues a call for proposals, and each call constitutes a "round" of funding. For each round of funding, the Global Fund produces a proposal form, guidelines for applicants, and other supporting documentation.

[†] In 2006, Brazil, Chile, France, Norway, and the United Kingdom decided to create an international drug-purchasing facility financed with sustainable and predictable resources. The initiative was given the name UNITAID, and a tax on airline tickets was chosen as the most appropriate means of providing sustainable funding. UNITAID was officially launched on September 19, 2006, in New York at the opening session of the United Nations General Assembly. UNITAID provides a sustained and strategic market intervention that aims both to decrease the price of medicines for priority diseases and to increase the supply of drugs and diagnostics.

- ◆ Encourage learning to strengthen capacities and improve program implementation
- ◆ Invest in measurement systems and promote the use of evidence for decision making
- ◆ Provide a tool for grant oversight and monitoring within countries and by the Global Fund Secretariat
- ◆ Free up committed resources from nonperforming grants for reallocation to programs where results can be achieved

Structure^{8, 9}

Several specialized administrative bodies help oversee the Global Fund, including the Global Fund Board and Board committees, the Global Fund Secretariat, the Technical Review Panel, the Technical Evaluation Reference Group, the Office of the Inspector General, and the Partnership Forum. The Global Fund Board governs the organization and includes members from donor[‡] and recipient country governments, non-governmental organizations, the private sector, and people affected by HIV, TB, and malaria. There are four standing Board committees: Policy and Strategy, Portfolio and Implementation, Ethics and Finance, and Audit. These committees are responsible for advising the Board members and developing policies for their review.

The Secretariat manages daily operations such as fundraising, grant management, and administrative support. The Technical Review Panel, composed of international development and disease experts, evaluates the technical merits of every Global Fund grant proposal. The Technical Evaluation Reference Group provides advice regarding monitoring and evaluation. In order to ensure compliance with Global Fund policies, the Office of the Inspector General provides independent oversight of recipient countries and Secretariat activities. The Partnership Forum comprises a wide variety of global stakeholders that develop recommendations on Global Fund strategy, policy, and practice and provide feedback on the Global Fund's progress (see **Exhibit 3** for Global Fund-supported program results against 2010 targets).

Regionally focused Fund Portfolio Managers are based in Geneva and liaise with stakeholders in recipient countries. The Global Fund Secretariat does not have a presence at the country level. Instead, it created a system to administer and oversee its grants via the Country Coordinating Mechanism (CCM), Principal Recipient(s) (PR), and Local Fund Agents (LFAs; see **Exhibit 4** for key actors and their roles in the Global Fund's performance-based financing).

Country Coordinating Mechanism

The Global Fund “strongly encourages” countries to establish a multisectoral Country Coordinating Mechanism (CCM) to prepare and submit funding proposals, identify grant recipients, and monitor the implementation of grant-financed programs (see **Exhibit 5** for a detailed description of the Global Fund's grant application and approval process). The structure of the CCM is intended to encourage collaboration between the government, private sector, multilateral and bilateral agencies, academic institutions, civil society, and people living with HIV/AIDS, TB and, malaria while ensuring local ownership and participatory decision making. CCM members may be from organizations that are sub-recipients of Global Fund funding. Although CCMs are independent bodies, they must meet a number of Global Fund requirements before submitting applications.¹⁰ The CCM's primary responsibilities include coordinating

[‡] Of the 20 Board members with voting rights, eight represent donor government constituencies.

proposal development, nominating a PR for each grant, overseeing grant implementation, approving any adjustments to the grant, and ensuring effective linkages between the Global Fund-supported programs and broader national health programs. It is important to note that the PR, not the CCM, handles the Global Fund financing.

Principal Recipient and Sub-Recipient(s)

The CCM designates one or multiple PR(s) to manage Global Fund grant implementation. Depending on the country, the CCM and/or the PR select the sub-recipients. The PR creates a work plan and budget based on the grant proposal and signs the final legal contract (Grant Agreement) with the Global Fund. The Grant Agreement includes the program description, budget summary, and a list of performance indicators and targets. These indicators and targets allow the PR and the Global Fund to assess performance for multiple reporting periods throughout the grant's lifetime. The Global Fund disburses the grant money to the PR(s), which then distribute funding to the sub-recipients. The PRs disburse Global Fund financing to sub-recipient organizations that implement prevention, care, and treatment programs. The PR oversees the sub-recipients' activities and submits program updates and disbursement requests to the Local Fund Agents (described below) for each 3–6 month reporting period.¹⁰

Local Fund Agent

The Global Fund's performance-based funding system requires close monitoring of grant performance to ensure funding is disbursed only to grantees that demonstrate effective grant management and implementation. Because the Global Fund does not have in-country offices, it hires LFAs, which are selected through a competitive bidding process. As in-country monitors, they assess the PR's capacity to implement grants, track and verify recipients' performance reports, and communicate regularly with the Global Fund Portfolio Manager in Geneva. The LFA, however, cannot act as an agent of the Global Fund and is therefore not permitted to represent the Global Fund's views or make decisions concerning grants. As of 2011, the international accounting firms of PricewaterhouseCoopers (renamed as PwC in 2011) and KPMG as well as the Swiss Tropical and Public Health Institute (Swiss TPH) and the United Nations Office for Project Services (UNOPS) provided the majority of the LFA services for the Global Fund.¹¹

Successes and Challenges from the Country Perspective

Countries' successes and challenges with the Global Fund were documented in studies commissioned by the World Health Organization, the Global Fund, and UNAIDS in 2009 and 2010.⁵⁻⁹ Recipient countries often credited Global Fund resources with acting as a catalyst for Ministries of Health to increase the commitment to and investment in HIV, TB and malaria. Countries generally acknowledged that the Global Fund helped them to increase the health workforce and access to medications, particularly antiretrovirals. The Global Fund also had an impact outside of the target disease areas, typically in terms of improving laboratory capacity and elevating the importance of accurate data collection and reporting. In some countries the Global Fund significantly impacted the scale-up of preventing mother-to-child transmission (PMTCT) services and enabled civil society to increase its advocacy and prevention activities.

Countries that have received Global Fund finances also encountered a number of challenges with the Global Fund's grant structure and process. In particular, the studies showed that a number of recipient countries found the structure and function of the CCM challenging. Frequently, informants stated that the creation of a CCM was not in line with their country's policies, and often the CCM was a parallel structure to other coordinating bodies that existed within the country's health system.

Study informants suggested that the composition of the CCM's members was problematic for two main reasons: (1) it created conflicts of interest, and (2) it did not represent a sufficiently diverse array of stakeholders. Conflict of interest was reported among CCM members representing sub-recipient organizations; informants explained that members from sub-recipient organizations often found it difficult to maintain an impartial perspective, advocating for the interests of their respective organizations as opposed to serving as a representative of their sector as a whole. Some study participants thought that the Global Fund should play a mediating role in these types of conflicts and empower the CCM to address them more adequately. Study respondents also believed the Global Fund should have a mechanism to ensure that CCM membership adequately represented all stakeholders.

Some informants found the CCM's role and members' responsibilities unclear. A majority of informants thought that the Global Fund should provide more technical guidance on how the CCM should operate as well as increased support, including financial resources, to the CCM so that it could function more effectively. Some study respondents explained that the CCM's decision-making and fund recipient selection processes lacked transparency.

Country informants also stated that the Global Fund's performance management processes were unclear to implementers. Many informants found the reporting process a burden and demonstrated inability to complete Global Fund reporting; in many cases, the country did not have the capacity to report on grants. Overall, countries stated that they did not have adequate administrative or accounting capacity to manage Global Fund grants and large disbursements of money. Many informants noted that without an in-country Global Fund presence, miscommunication and delays in disbursement, reporting, and implementation were common challenges; frequent turnover of Fund Portfolio Managers in Geneva made it difficult for the CCM or PR to establish any sense of continuity or rapport with the Fund Portfolio Managers.

2011 Changes to Global Fund Grants¹²

Eligibility

Prior to launching the Round 11 Call for Proposals in August 2011, the Global Fund implemented new eligibility criteria for Global Fund grants (for details on the eligibility criteria, see **Exhibit 6**). Eligibility criteria take into account a number of local factors such as disease burden, counterpart financing as demonstrated by the government's financial commitment to a disease program, the involvement of an inclusive CCM, and the national income level as determined by the Global Fund Secretariat, drawing on information from the World Bank Income Classifications.

Grant Architecture

In the *Global Fund Results Report 2011*, the Global Fund acknowledged that it was evolving from focusing on rapid financing of targeted interventions for HIV, TB, and malaria to developing sustainable financing of national disease programs.¹² In order to better facilitate national programs, the Global Fund will avoid funding project-based approaches in future financing rounds. The Global Fund has also revised its grant structure to better anticipate and manage risks effectively, particularly financial risks stemming from fraud and corruption.

Grant Management

The Global Fund has made a number of improvements to the grant management process with the goal of increasing the quality, efficiency, and effectiveness of grant management processes while continuing to apply performance-based funding principles.

The Global Fund has streamlined the grant management process for recipient countries in an effort to reduce the monitoring and reporting burden for PRs. Previously, PRs had to manage and report on multiple Global Fund disease-specific grants that may have been awarded during separate rounds. For example, the Ministry of Finance in Kenya served as the PR for TB grants in Rounds 2, 5, and 6, of which at any one time two grants ran concurrently between 2003 and 2011[§]. Moving forward, grants will be consolidated into a single stream of funding per PR per disease; thus, the Ministry of Finance in Kenya would have only one stream of TB funding from the Global Fund to manage and monitor at any one time. This single stream of funding will also allow funding applicants to submit new proposals that incorporate progress made through previous Global Fund grants.

An improved grant management process also allows grant performance reviews to be scheduled in alignment with national program reporting and review cycles. As opposed to assessing the impact of an individual grant, reviews are now intended to assess a portfolio of grants within the context of the entire health system.

Country-Level Grant Structures

The Global Fund has also changed the roles and responsibilities of the LFAs and CCMs to strengthen grant oversight and governance. The Global Fund has expanded and strengthened the role of the LFAs to focus on identifying and reporting fraud risks. In 2011 the Global Fund Board was reviewing revised guidelines for CCMs that would clarify roles and responsibilities, introduce new performance standards, and provide practical guidance for a range of functions, including how to manage conflicts of interest, ensure transparency and accountability, and promote alignment with other national coordination bodies. The Global Fund also introduced a new funding policy for CCMs in 2010 so that CCMs can apply for funds to address gender issues, to engage civil society and the private sector, or to improve oversight, alignment, and harmonization. The Global Fund also began working to improve CCM capacity by sponsoring regional meetings to share best practices; supporting tools to facilitate oversight and the tracking of program information; and encouraging better collaboration with technical partners. The Global Fund has also been working on a communications protocol, to be rolled out later in 2011, that will improve the quality, consistency, and frequency of operational communications among PRs, CCMs, the Secretariat, LFAs, and other partners.

Strategy 2011–2016

The majority of informants in the country case studies believed that the Global Fund had enhanced countries' capacity to improve the health outcomes of their people. To measure its own progress, the Global Fund established a set of measurable indicators with associated 2010 targets; by the end of 2010, Global Fund-supported programs had made significant progress toward these 2010 targets. The incorporation of more comprehensive approaches to improving health outcomes, which included programs that addressed

[§] More specifically, Round 5 overlapped with Rounds 2 and 6 during different time periods during 2003–2011. Additionally, the Ministry of Finance was the PR for the HIV and malaria grants as well as the TB grants.

community-based prevention, care and support, and health systems strengthening across the three different diseases.

The Global Fund has emphasized its ability to adapt and innovate to address both internal and external challenges. The core objectives of the Global Fund's strategy for 2011–2016 include:¹²

- ◆ To dramatically increase the number of lives saved and infections prevented in 2011–2016
- ◆ To maximize the benefits of investments beyond the fight against HIV, TB, and malaria, particularly for women and children
- ◆ To maximize value for money by increasing efficiency and effectiveness
- ◆ To promote human rights and equity
- ◆ To reinvigorate partnerships
- ◆ To intensify resource mobilization and ensure additional funding to consolidate the gains made to date

Funding Outlook

The Global Fund has a voluntary replenishment mechanism that is supposed to increase the predictability of Global Fund resources and support to countries, since countries pledge support to the Global Fund for a specific time period, typically two to three years. During the replenishment process, donors have the opportunity to hear about the Global Fund's future financing needs and decide on contributions. The Global Fund periodically holds replenishment meetings. A 2011 report from Médecins Sans Frontières stated that the Global Fund is facing a several billion dollar shortfall because of insufficient donor pledges at its 2010 replenishment conference and that, for the first time in its history, no new funding round will be approved in 2011. The report adds that in Round 10, in 2010, more than half of the HIV proposals were rejected and that the affected countries will now have to wait until 2012 for decisions on new proposals, with funding likely to be available only in 2013.¹³ The Global Fund projected it needed a minimum of USD 13 billion; as of November 2011, it had raised only USD 11.7 billion.¹⁴

The Global Fund has acknowledged that difficult global economic circumstances have impacted donor contributions. A new trend has emerged of a few donors not living up to their commitments. The most notable example is Italy, which has not paid any part of its 2009 and 2010 pledges of USD 183 million per year. In addition, Spain has paid only USD 134 million of the USD 250 million it pledged for 2010, and Ireland has paid only USD 11 million of the USD 48 million it pledged for 2010.¹⁵ Furthermore, the US is currently the largest donor to the Global Fund, but US congressional legislation dictates that the US will give no more than 33% of the total given by all countries to the Global Fund. Thus, if other donors do not give twice as much as the US is willing to give (USD 1.05 billion for the fiscal year ending September 30, 2011), the US contribution will be reduced.¹⁵

Further Reading

www.aidspace.org "A Beginner's Guide to the Global Fund"

AIDSPAN is the self-described "watchdog" of the Global Fund; based in Kenya, the organization provides information on leadership, decision making, and grants that can help countries or organizations navigate the Global Fund's financing stream. AIDSPAN's activities include transparency projects, a series of publications that offer news about the Global Fund, web tools that report on the progress of Global Fund grants around the world, and other forms of technical assistance.

www.theglobalfund.org

This website serves as the main public interface to the Global Fund’s activities. At this website, country-specific information about grant performance, award amount, and in-country Principal Recipients and subrecipients are available. This portal provides important information for people just learning about the Global Fund as well as individuals working on Global Fund–sponsored projects.

www.cgdev.org “An Overview of the Global Fund to Fight AIDS, TB and Malaria”

Founded in 2001, the Center for Global Development (CGD) is a think tank that documents and analyzes “... how rich country policies impact people in the developing world.” CDG has a wide range of research topics and initiatives. CGD also maintains the Commitment to Development Index, which is a tool designed to show how much support rich countries are giving to poor countries.

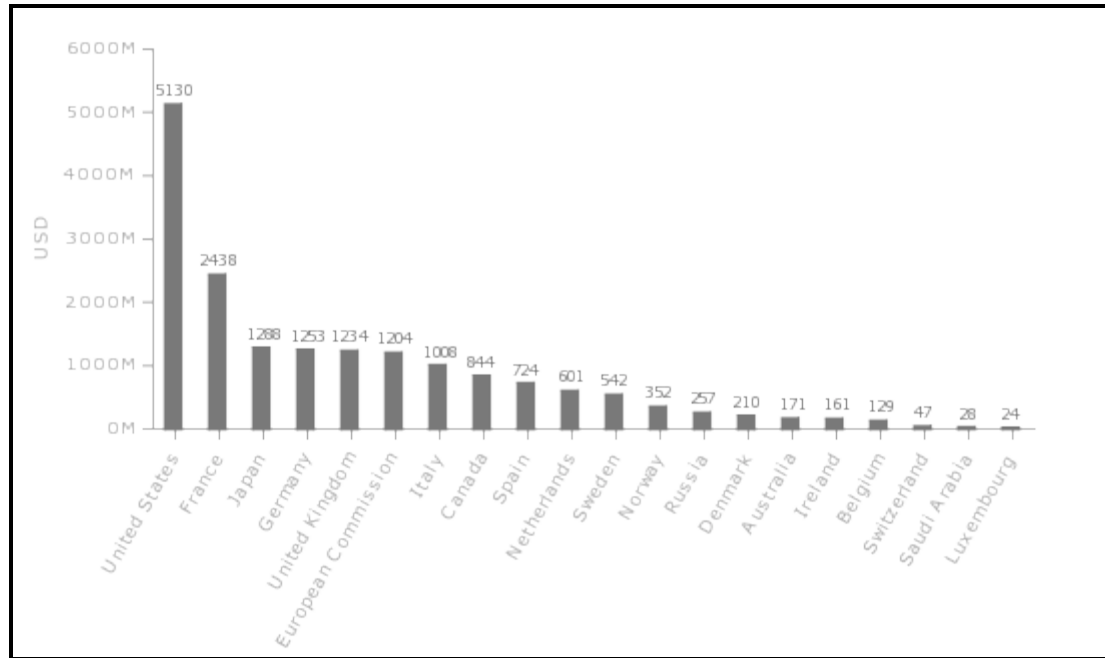
Exhibit 1 *Results from Global Fund-supported Programs by Region, 2002–2010*

Indicator	Asia	Eastern Europe and Central Asia	Latin America and Caribbean	Middle East and North Africa	Sub-Saharan Africa	Total
HIV testing and counseling sessions provided	38,000,000	32,000,000	13,000,000	1,500,000	62,000,000	150,000,000
HIV-positive pregnant women receiving ARV prophylaxis for PMTCT	77,000	32,000	19,000	10,000	860,000	1,000,000
Basic care and support services provided to orphans and other vulnerable children	330,000	28,000	30,000	40,000	4,600,000	5,100,000
Condoms distributed	290,000,000	180,000,000	460,000,000	87,000,000	1,700,000,000	2,700,000,000
Cases of sexually transmitted infections treated	1,700,000	200,000	3,200,000	2,000,000	2,500,000	9,700,000
TB/HIV services provided	310,000	160,000	32,000	6,900	1,900,000	2,400,000
New smear-positive TB cases detected and treated	5,100,000	280,000	180,000	210,000	1,900,000	7,700,000
People treated for multidrug-resistant TB	4,300	16,000	14,000	520	8,400	43,000
Insecticide-treated nets distributed	29,000,000	240,000	1,400,000	13,000,000	110,000,000	160,000,000
Cases of malaria treated	12,000,000	10,000	470,000	16,000,000	140,000,000	170,000,000
Indoor residual spraying services	1,200,000	620,000	130,000	1,100,000	28,000,000	31,000,000
Community-based prevention activities	62,000,000	22,000,000	26,000,000	14,000,000	63,000,000	190,000,000
Care and support services	2,000,000	480,000	1,000,000	75,000	8,000,000	12,000,000

Source: Adapted from Global Fund 2011 Results Report.

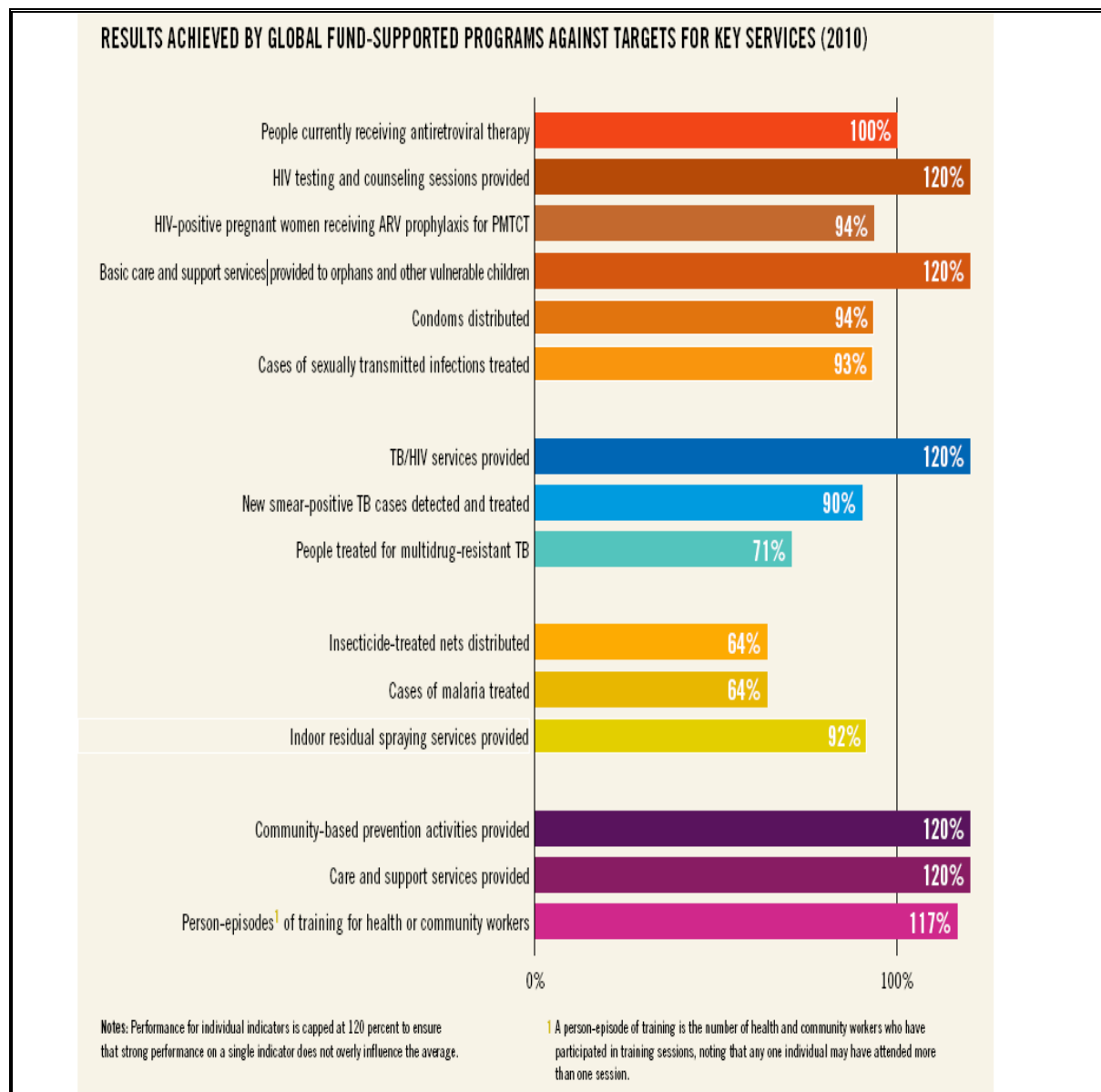
(http://www.theglobalfund.org/documents/publications/progress_reports/Publication_2011Results_Report_en.pdf).

Exhibit 2 Contributions from Top 20 Public Donors, 2001–2010



Source: Global Fund. Donor Government Statistics. <http://www.theglobalfund.org/en/donors/statistics/>.

Exhibit 3 *Global Fund–Supported Program Results*



Source: *Making a Difference*, Global Fund 2011 Results Report.

Exhibit 4 *Key Actors’ Involvement in the Pillars of the Grant Life Cycle*

	Proposal Development	Grant Negotiation	Performance-Based Disbursements	Grant Renewals Phase 2	Grant Renewals Rolling Continuation Channel
Country Coordinating Mechanism	Country entities	Global Fund entities	Country entities	Country entities	Country entities
Principal Recipient	Global Fund entities	Country entities	Country entities	Country entities	Country entities
Subrecipient	Global Fund entities	Global Fund entities	Country entities	Country entities	Global Fund entities
Board	Global Fund entities	Global Fund entities	Global Fund entities	Global Fund entities	Global Fund entities
Technical Review Panel	Global Fund entities	Global Fund entities	Global Fund entities	Optional Involvement	Global Fund entities
Secretariat	Global Fund entities	Global Fund entities	Global Fund entities	Global Fund entities	Global Fund entities
Local Fund Agent	Global Fund entities	Global Fund entities	Global Fund entities	Global Fund entities	Global Fund entities

Country entities
 Global Fund entities
 Optional Involvement

Source: Adapted from the Global Fund, Key Actors in Performance Based Financing. <http://www.theglobalfund.org/en/performancebasedfunding/actors/?lang=en>. Accessed 20 June 2011.

Exhibit 5 Global Fund Grant Application and Approval Process



The following is a brief description of the Global Fund application process:

1. **Global Fund Secretariat announces a call for proposals.**
2. **Country Coordinating Mechanism (CCM) prepares a proposal** based on local needs and financing gaps (applications are also accepted from a Regional Coordinating Mechanism (RCM), Regional Organization (RO) and, in certain circumstances, Sub-CCMs and Non-CCMs). As part of the proposal, the CCM nominates one or a few Principal Recipients (PR). In many cases, development partners assist in the preparation of proposal.
3. **Secretariat screens proposals for eligibility and completeness;** forwards all eligible proposals to the Technical Review Panel (TRP) for consideration.
4. **TRP reviews all eligible proposals for technical merit and makes one of four recommendations** to the Global Fund Board: Category 1 - recommended for approval without changes (and no or only minor clarifications); Category 2 - recommended for approval provided that clarifications or adjustments are met within a limited timeframe; Category 3 - not recommended for approval in its present form but strongly encouraged to resubmit following major revision, taking into consideration the TRP's comments; and Category 4 - rejected.
5. **Board approves grants** based on technical merit and availability of funds.
6. An Internal Appeal Mechanism allows applicants whose proposals were rejected in two consecutive rounds to appeal the second decision.

Following grant approval, these steps need to be completed before the funds are disbursed to the PR and grant-funded activities can begin:

1. Respond to enquiries from the Technical Review Panel.
2. Confirmation of the PR.
3. Selection of the LFA.
4. PR Assessment.
5. Finalize budget, workplan and performance indicators.
6. Negotiate Grant Agreement (involves Global Fund, LFA and PR)
7. Sign Grant Agreement.
8. PR requests first disbursement of funds.

Sources: Adapted from Global Fund and Aidspace. <http://aidspace.org/documents/guides/aidspace-implementation-guide-volume-1-revised-en.pdf>.

Exhibit 6 *Income and Disease Burden Criteria for Global Fund Eligibility*

Income Level: The income classification groups shall be determined by distinct categories as follows:

1. Low-income countries (LICs) shall be eligible without specific restriction.
2. Lower-middle-income countries (LMICs) shall be split into two income groups using as a cut-off the midpoint of the range of GNI per capita for LMICs as reported by the World Bank. Countries at the midpoint or below the midpoint shall, for the purposes of this Policy, be described as “Lower LMICs” and those above the midpoint as “Upper LMICs.”
3. Upper-middle-income countries (UMICs) will be evaluated for eligibility based upon their respective disease burden.
4. High-income countries (HICs) shall be ineligible to apply for funding through a single country application.

Disease Burden: Regardless of disease burden, all LICs and LMICs shall be eligible to apply for funding for HIV and AIDS, TB, malaria, and/or Cross-cutting Health Systems Strengthening. UMICs shall only be eligible to apply for funding for the disease(s) in which their reported disease burden is high.

The Global Fund also introduced requirements for increased government funding between disbursements termed counterpart financing. All countries applying to the Global Fund through a CCM are required to meet a minimum threshold for government contributions relative to those from the Global Fund. The minimum threshold for counterpart financing varies by income level: 5% for LICs, 20% Lower LMICs, 40% for Upper LMICs, and 60% for UMICs. Additionally, governments must also increase relative contributions each year to both the disease program and the health sector.

Source: Policy on Eligibility Criteria, Counterpart Financing Requirements, and Prioritization of Proposals for Funding from the Global Fund, 2011.

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