New Global Fund Grant Architecture
- Periodic Review -

Ethiopia
October, 2010
Architecture Review: Context

- The current grant architecture was designed at the GF’s inception and has been added to over time

- This architecture has supported the achievement of powerful results
  - Key GF operating principles built into the architecture have transformed the way programs are implemented, priorities are set, and stakeholder groups interact

- As the Global Fund portfolio has matured, it is increasingly funding needs of applicants seeking to expand or extend existing programs
  - As of beginning 2008, the GF was supporting programs in 97% of all eligible countries
  - >75% of components requesting funding are from repeat applicants

- In this context the architecture is proving to be overly complex and not scalable
Overview of current architecture

Illustrative example: India HIV grants with the Department of Economic Affairs of the Government of India as PR

- Multiple grants for same PR
- Multiple budgets
- Different sets of indicators

*Includes proposal preparation, TRP review and grant signing

Difficulties:
- Difficulty aligning reporting and disbursement timelines
- Different timelines for Phase 2 reviews
- Encourages “project approach” with complicated and burdensome management of multiple grants
A new Grant Architecture was approved at the Global Fund Board 20th meeting (GF/B20/DP31) with the objective of:

- Improving alignment with in-country planning, reporting and review cycles;
- Facilitating program-based assessment of performance and impact; and
- Strengthening performance-based funding decisions and incentives.

Main features:

**Proposal Development**

Access to funding through consolidated applications for the disease portfolio, clearly showing how new funding will contribute to the already funded interventions

**Grant Negotiation**

Single Stream of Funding:
- One consolidated grant per PR per disease
- One fixed, up-to-3-year commitment cycle per disease

**Grant Renewal**

Periodic Review for continued funding decisions:
- Up to every 3 years
- All PRs for the same disease reviewed at the same time, aligned with country cycles
- Performance assessment strengthened to include analysis of program impact
- Possibility to accelerate strong performing PRs which are showing impact
GF funding to Ethiopia (HIV)

Under the “old” grant architecture...

Key features:
- 3 PRs with 3 different grants; with 3 different budgets, work plans, performance frameworks, and procurement plans
- Misalignment with in-country reporting and cycles
- Grant close-out requirements for activities still ongoing with same PR
- Multiple PU/DRs, Audit Reports, Enhancing Financial Reports to be reported at a time
Global Fund funding to Ethiopia HIV program under new grant architecture: Likely scenario with SSF and grant consolidation

Key features:
- Consolidation of 3 HIV grants for HAPCO into SSF
- 1 SSF grant, with one budget, work plan, performance framework, and procurement plan
- Reporting significantly reduced and more program-based
- More holistic periodic review with aligned timing across PRs
## Ethiopia portfolio

<table>
<thead>
<tr>
<th>Disease</th>
<th>PRs</th>
<th>Rd 1</th>
<th>Rd 2</th>
<th>Rd 2 RCC</th>
<th>Rd 4</th>
<th>Rd 5</th>
<th>Rd 6</th>
<th>Rd 7</th>
<th>Rd 8</th>
<th>Rd 9</th>
<th>SSF N. of grants</th>
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<tbody>
<tr>
<td>HIV</td>
<td>HAPCO</td>
<td></td>
<td>(X)*</td>
<td>X</td>
<td>(X)*</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
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<td>2 → 1</td>
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<td>NEF+</td>
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<td>1 → 1</td>
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<tr>
<td></td>
<td>EIFDDA</td>
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<td>4 → 3</td>
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<tr>
<td>TB</td>
<td>MoH</td>
<td>(X)*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
<td>2 → 1</td>
</tr>
<tr>
<td>Malaria</td>
<td>NMCP</td>
<td>(X)*</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td>2 → 1</td>
</tr>
</tbody>
</table>

* Expired
Periodic Review: Principles

- Periodic Reviews look at the entirety of GF funding in a disease area (all PRs).

- They are 3-year “checkpoints” of achievements against the objectives and goals of the Proposal in terms of “programmatic progress and public health impact”.

- The assessment conducted at the time of Period Reviews focuses on:
  1. progress towards Proposal goals and disease impact,
  2. PR performance, and
  3. identified grant or program-level risks, if any.

  Note: The GF will not seek to directly attribute disease impact to a specific PR.

- The continued-funding recommendation to the Board per PR will include a:
  i. Performance rating;
  ii. Recommendation category (with corresponding conditions, if any); and
  iii. Recommended additional commitment amount.
### Periodic Review vs. Phase 2

**Periodic Reviews builds-on and expands on the current Phase 2 Reviews:**

<table>
<thead>
<tr>
<th>What is <strong>similar</strong> to Phase 2?</th>
<th>What is <strong>different</strong> from Phase 2?</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ CCM request for continued funding, with possibility to reprogram</td>
<td>▪ Reviews conducted for all PRs in a disease area at the same time</td>
</tr>
<tr>
<td>▪ LFA assessment of CCM request</td>
<td>▪ Review dates aligned with in-country review processes</td>
</tr>
<tr>
<td>▪ GF assessment per PR of:</td>
<td>▪ More holistic assessment of program performance and outcome/impact</td>
</tr>
<tr>
<td>- Programmatic achievements</td>
<td>▪ Possibility for strong PRs to access incremental funding</td>
</tr>
<tr>
<td>- Financial performance</td>
<td>▪ Opportunity to reallocate program responsibilities across PRs</td>
</tr>
<tr>
<td>- Funding request</td>
<td></td>
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<tr>
<td>▪ Informs continued funding for the next commitment period per PR</td>
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</tbody>
</table>
Periodic Review - Assessment framework

The performance assessment framework is comprised of 5 dimensions:

1- SERVICE DELIVERY
   • Output Results Vs. Targets
   • Quality of Data
   • Quality of Services

2- PROPOSAL GOALS
   • Impact Results Vs. Targets (+ evaluation)
   • Coverage and Outcome of Key Interventions

3- MANAGEMENT
   • Monitoring and Evaluation
   • Pharmaceutical and Health products management
   • Institutional and Programmatic arrangements
   • Financial management and systems

4- EFFECTIVENESS (Equity, Value for Money, Aid Effectiveness)

5- EXTERNAL CONTEXTUAL FACTORS (Legal, Political, ‘Force Majeure’, etc.)
The framework for continued-funding decisions can be described as follows:

<table>
<thead>
<tr>
<th>PR Performance</th>
<th>A1</th>
<th>A2</th>
<th>B1</th>
<th>B2</th>
<th>C</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td>1</td>
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</tr>
<tr>
<td>Proposal Goals and Outcome/Impact</td>
<td>Demonstrated Impact</td>
<td>Progress towards Impact (including programmatic coverage and outcome)</td>
<td>No Progress</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>GO Accelerate *</td>
<td>Revised GO **</td>
<td>Conditional GO or No GO</td>
<td>No GO</td>
<td></td>
</tr>
</tbody>
</table>
| 3              | Major risks | * If major program or PR-level risks are identified, PRs should receive a “Conditional Go”. If that risk is critical, that could result in a “No GO”.

** A six-month extension could be granted to strong performing PRs for them to revise the implementation strategy with the CCM, reprogram activities and re-submit a request for continued funding.
## Periodic Review - Recommendation Categories

- The outcome of the **Continued-funding Recommendation Categories** are as follows:

<table>
<thead>
<tr>
<th>Recommendation Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Go – Accelerate *</td>
<td>Additional Commitment for the next Commitment Period, including incremental funds to accelerate the program due to strong performance and progress towards impact</td>
</tr>
<tr>
<td>Go</td>
<td>Additional Commitment for the next Commitment Period</td>
</tr>
<tr>
<td>Conditional GO</td>
<td>Additional Commitment for the next Commitment Period conditional on fulfillment of stated conditions (maximum 1 year)</td>
</tr>
<tr>
<td>Revised GO</td>
<td>Additional Commitment for the next Commitment Period subject to TRP review of reprogramming (vis-à-vis originally approved Proposal)</td>
</tr>
<tr>
<td>No GO</td>
<td>No Additional Commitment and discontinuation of funding</td>
</tr>
</tbody>
</table>

* PRs receiving a “Go Accelerate” recommendation are eligible to access incremental funding based on CCM request and subject to the Secretariat Panel review, TRP recommendation and Board approval.
Periodic Review – Country Roles & Responsibilities

<table>
<thead>
<tr>
<th></th>
<th>At Periodic Review</th>
<th>Routine Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PRs</strong></td>
<td></td>
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</tr>
<tr>
<td>- Report indicator results vs. targets, including disaggregated if relevant (output-outcome-impact)</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>- Report expenditure breakdowns vs. budget (by Cost category, SDA and implementer)</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>- Report costs of health product (through PQR)</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>- Report on progress against CPs and Management Actions, if any</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>- Lessons-learned from program implementation</td>
<td></td>
<td>√</td>
</tr>
<tr>
<td><strong>CCM</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Assesses PR performance and programmatic achievements</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>- Analyzes trends in impact/outcome indicators and progress towards Proposal goals</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>- Assesses program level-risks related to Equity, Value for Money, Aid Effectiveness, if any</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>- Requests continued-funding for the next commitment period (overall and per PR)</td>
<td></td>
<td>√</td>
</tr>
<tr>
<td><strong>LFA</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Checks completeness / accuracy of data reported by PRs (results, expenditures, PQR, etc.)</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>- Undertakes on-site verifications of data quality and quality of services</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>- Assesses PR grant management (overall and by functional area – M&amp;E, Financial Mgmt, etc.)</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>- Performs budget review and provides a continued-funding recommendation (overall and per PR)</td>
<td>√</td>
<td></td>
</tr>
</tbody>
</table>
Periodic Review – Key Implications

**Expected benefits:**

- 1 Consolidated request per disease (as opposed to several frequent requests per PR)
- Longer commitment period (i.e. up to 3 years)
- Periodic Review date decided by country, aligned with country cycles
- Invitation letter to include GF pre-assessment of key areas to be addressed by the CCM
- IT enabled - several components of the CCM request to be pre-filled with available data
- Possibility to access incremental funding for strong performing grants
- Strengthened emphasis on reprogramming (opportunity to revise strategy)

**Potential Challenges:**

- Consolidated Requests per disease will demand more work (even if once every 3 years)
- Additional information requirements on program effectiveness and impact
- More involvement required by CCM to analyze progress and justify request
ILLUSTRATIVE EXAMPLE OF AVAILABLE TIMELINES

<table>
<thead>
<tr>
<th>Key Steps of Periodic Reviews</th>
<th>Duration of Review and Commitment Cycle (3 years)</th>
<th>Available Time Line</th>
</tr>
</thead>
<tbody>
<tr>
<td>Period of Performance Assessment</td>
<td>Up to month 24</td>
<td>3 months (2.5 months)</td>
</tr>
<tr>
<td>Secretariat sends an invitation to CCM to submit a <em>Request for Additional Financial Commitment</em> with supporting documentation</td>
<td>First day of Month 24</td>
<td>6 weeks (4 weeks)</td>
</tr>
<tr>
<td>CCM sends its <em>Consolidated Request</em> and supporting documents to the FPM (and LFA).</td>
<td>Beginning 1st week of month 27</td>
<td>10 weeks (7-8 weeks)</td>
</tr>
<tr>
<td>LFA sends its <em>Independent Assessment Report</em> to the FPM*</td>
<td>End 2nd Week of month 28</td>
<td></td>
</tr>
<tr>
<td><em>Secretariat Review begins</em></td>
<td>3rd Week of month 28</td>
<td></td>
</tr>
<tr>
<td><em>Board decision on additional financial commitment</em></td>
<td>2nd week of month 31</td>
<td></td>
</tr>
<tr>
<td><em>FPM and PR negotiate an Grant Agreement</em> for the next commitment Period</td>
<td>Months 31-33</td>
<td>Up to 6 months; preferably 3 months (0 months)</td>
</tr>
<tr>
<td><em>First disbursement under the renewed Grant Agreement</em></td>
<td>End of month 35</td>
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</tr>
<tr>
<td><em>Commitment Period Ends</em></td>
<td>End of Month 36</td>
<td></td>
</tr>
<tr>
<td><strong>Note:</strong> TRP Review and recommendations to the Board on Revised Go proposals and Board approval not later than</td>
<td>End of Month 33</td>
<td>3 months</td>
</tr>
</tbody>
</table>
Discussion Points

• Overall Approach
  – General Feedback

• Availability of information (every 3 years)
  – Outcome and Impact indicator results
  – Disaggregated indicator results - output-outcome-impact (by sex, age, risk groups)
  – Service Delivery Unit Costs
  – Domestic and external resources contributed to the GF supported program (past and future)

• Capacity
  – Consolidating all PR requests
  – Assessing PR performance and programmatic achievements
  – Analyzing trends in impact/outcome indicators and progress towards Proposal goals
  – Assessing program level-risks, if any - Equity, Value for Money, Aid Effectiveness
  – Revising implementation strategy, if required (including reallocating responsibilities across PRs)

• Timeline
  – Feasibility within proposed timeline – i.e. 10 weeks

• National Program Reviews
  – Do they take place and how often?
  – Does the CCM and the PRs participate?
  – Can they provide information to support CCM request?

• How can Global Fund help you ‘get there’?
For more information...

• Architecture webpage: www.theglobalfund.org/en/grantarchitecture

• Architecture inbox: ARCinbox@theglobalfund.org
Summary of Information Requirements

• Step 1-3: Programme Achievements
  – PU/DRs; OSDV; Management issues identified during the course of implementation

• Step 4: Progress towards proposal goals
  – PU/DR – reported results against outcome and impact indicators
  – National Programme Reviews

• Step 5: Program Level risks
  – Disaggregated results (by age or sex), where available

• Step 6-7: Financial efficiency and budget reasonableness
  – Health product unit costs from PQR
  – expenditures vs. budget, and comments on variances as part of CCM request
BACK UP SLIDES
Consolidated disease applications will be the future means for maintaining SSFs

- **Expected benefits include:**
  - Encourages more holistic, program-based in-country resource planning
  - Facilitates rethinking of the program and implementation arrangements
  - Enables CCMs to coordinate the development of proposals based on the larger programmatic picture, and to provide better oversight
  - Provides TRP with the broader programmatic picture and better alignment with national plans

- **Voluntary with Round 10, required with Round 11**
Single Stream of Funding and DTF

- The single stream of funding model proposed under the new grant architecture does not change the existing policy on Dual Track Financing (DTF)
  - The recommendation that countries propose at least one government and at least one non-government PR will remain

- The Single Stream of Funding model is per PR per disease

- What is new under this architecture is that over time CCMs will be expected to:
  - Ensure that all PRs in a disease area have their periodic performance reviews conducted at the same time
  - Present requests for new funding in a manner that shows the totality of all Global Fund funding that is being requested for a disease area in that country, including funds already approved for existing PRs

- The intention is to give everyone (CCMs, PRs, TRP, the Secretariat) a more holistic picture of the GF-financed portion of the national program