New Global Fund Grant Architecture
- Periodic Review -

Ethiopia
October, 2010
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

- Difficulty aligning reporting and disbursement timelines
- Different timelines for Phase 2 reviews

Encourages “project approach” with complicated and burdensome management of multiple grants

*Includes proposal preparation, TRP review and grant signing
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:

<table>
<thead>
<tr>
<th>Proposal Development</th>
<th>Access to funding through consolidated applications for the disease portfolio, clearly showing how new funding will contribute to the already funded interventions</th>
</tr>
</thead>
</table>
| 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>
</tr>
</thead>
<tbody>
<tr>
<td>HIV</td>
<td>HAPCO</td>
<td>(X)*</td>
<td>X</td>
<td>(X)*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2 → 1</td>
</tr>
<tr>
<td></td>
<td>NEF+</td>
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<td></td>
<td></td>
<td>1 → 1</td>
</tr>
<tr>
<td></td>
<td>EIFDDA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1 → 1</td>
</tr>
<tr>
<td>TB</td>
<td>MoH</td>
<td>(X)*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4 → 3</td>
</tr>
<tr>
<td>Malaria</td>
<td>NMCP</td>
<td>(X)*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></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 similar to Phase 2?</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCM request for continued funding, with possibility to reprogram</td>
</tr>
<tr>
<td>LFA assessment of CCM request</td>
</tr>
<tr>
<td>GF assessment per PR of:</td>
</tr>
<tr>
<td>- Programmatic achievements</td>
</tr>
<tr>
<td>- Financial performance</td>
</tr>
<tr>
<td>- Funding request</td>
</tr>
<tr>
<td>Inform continued funding for the next commitment period per PR</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>What is different from Phase 2?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reviews conducted for all PRs in a disease area at the same time</td>
</tr>
<tr>
<td>Review dates aligned with in-country review processes</td>
</tr>
<tr>
<td>More holistic assessment of program performance and outcome/impact</td>
</tr>
<tr>
<td>Possibility for strong PRs to access incremental funding</td>
</tr>
<tr>
<td>Opportunity to reallocate program responsibilities across PRs</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.)
Periodic Review – Decision-making framework

The framework for continued-funding decisions can be described as follows:

1. **Proposal Goals and Outcome/Impact**
   - **Demonstrated Impact**
   - **Progress towards Impact** (including programmatic coverage and outcome)
   - **No Progress**

2. **PR Performance**
   - **A1**: GO Accelerate *
   - **A2**: Revised GO **
   - **B1**: GO*
   - **B2**: Conditional GO or No GO
   - **C**: No GO

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>Role</th>
<th>Tasks</th>
<th>Routine Reporting</th>
<th>At Periodic Review</th>
</tr>
</thead>
</table>
| **PRs** | - Report indicator results vs. targets, including disaggregated if relevant (output-outcome-impact)  
- Report expenditure breakdowns vs. budget (by Cost category, SDA and implementer)  
- Report costs of health product (through PQR)  
- Report on progress against CPs and Management Actions, if any  
- Lessons-learned from program implementation | ✓ | ✓ |
| **CCM** | - Assesses PR performance and programmatic achievements  
- Analyzes trends in impact/outcome indicators and progress towards Proposal goals  
- Assesses program level-risks related to Equity, Value for Money, Aid Effectiveness, if any  
- Requests continued-funding for the next commitment period (overall and per PR) | ✓ | ✓ |
| **LFA** | - Checks completeness / accuracy of data reported by PRs (results, expenditures, PQR, etc.)  
- Undertakes on-site verifications of data quality and quality of services  
- Assesses PR grant management (overall and by functional area – M&E, Financial Mgmt, etc.)  
- Performs budget review and provides a continued-funding recommendation (overall and per PR) | ✓ | ✓ |
**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><strong>Period of Performance Assessment</strong></td>
<td>Up to month 24</td>
<td></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>3 months (2.5 months)</td>
</tr>
<tr>
<td><strong>CCM sends its Consolidated Request</strong> and supporting documents to the FPM (and LFA).</td>
<td>Beginning 1&lt;sup&gt;st&lt;/sup&gt; week of month 27</td>
<td></td>
</tr>
<tr>
<td>*<em>LFA sends its <em>Independent Assessment Report</em> to the FPM</em></td>
<td>End 2nd Week of month 28</td>
<td>6 weeks (4 weeks)</td>
</tr>
<tr>
<td><strong>Secretariat Review begins</strong></td>
<td>3rd Week of month 28</td>
<td>10 weeks (7-8 weeks)</td>
</tr>
<tr>
<td><strong>Board decision on additional financial commitment</strong></td>
<td>2nd week of month 31</td>
<td></td>
</tr>
<tr>
<td><strong>FPM and PR negotiate an Grant Agreement</strong> 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><strong>First disbursement under the renewed Grant Agreement</strong></td>
<td>End of month 35</td>
<td></td>
</tr>
<tr>
<td><strong>Commitment Period Ends</strong></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: ARChinbox@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