Health Product Management in the New Funding Model

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The Global Fund to Fight AIDS, Tuberculosis and Malaria

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Principles of the New Funding Model

• Greater alignment with country schedules, context, and priorities

• Focus on countries with the highest disease burden and lowest ability to pay, while keeping the portfolio global

• Simplicity for both implementers and the Global Fund

• Predictability of process and financing levels

• Ability to elicit full expressions of demand and reward ambition
Five Steps to Prepare for the New Funding Model

- Plan ahead
- Strengthen national strategies
- Involve key groups
- Consolidate information and use updated data
- Ensure procurement and supply management (PSM) component is included in the Concept Note
Overview of the New Funding Model

Key funding events:

- Secretariat communicates funding amounts to countries
- The pool of additional incentive funding is also available
- Secretariat’s Grant Approval Committee sets budget ceiling
- TRP-approved funds above ceiling are put in queue in case new funds are available
- Country team and country finalize grant agreement documents
  - Work plan and budget
  - Performance framework
  - Procurement plan

Ongoing Country Dialogue

1. National Strategic Plan determined by country
2. Concept Note 2-3 months
3. TRP
4. Grant Making 1.5-3 months
5. GAC
6. 2nd GAC
7. Board
8. Grant Implementation 3 years
The Country Dialogue

Country dialogue is the ongoing discussion that occurs at the country level between country actors and key partners to fight the three diseases and strengthen health and community systems.

The country owns and leads the process.

Includes implementers, government, civil society, faith-based organizations, key affected populations and networks, multilateral, bilateral, and technical partners, academia, and the private sector.
Stakeholders will Address Key Themes at Each Stage of Funding Model Through Country Dialogue

- **National Strategic Plan**
  - Disease and health sector landscape
  - Documented evidence of impact
  - Rights and inclusion
  - Targeting financial resources

- **Concept Note**
  - Process and participation
  - Prioritization of needs within indicative funding
  - Program split
  - Past grant performance and future risks
  - CCM selection of Principal Recipients
  - Full, costed request to the Global Fund

- **Grant Making**
  - Capacity assessment of Principal Recipients
  - Refinement of implementation arrangements
  - Detailed budgeting and costing
  - Performance indicators

- **Grant Implementation**
  - Ongoing monitoring of implementation effectiveness
  - Financial performance
  - Bottleneck and risk identification and mitigation
  - Program reviews

- **Ongoing Country Dialogue**

- **Technical Review Panel / Grant Approvals Committee review**

- **Board approval**

Global Fund-specific process
Health Product Management Requirements: Country Dialogue

### Health products-related requirements
- Mapping of PSM arrangements
- Mapping of laboratory arrangements and capacity
- During country dialogue, these processes are to be used as part of the foundation for Concept Note development

### Rationale
The country dialogue process is meant to ensure that requests to the Global Fund:
- Are integrated into the broader disease strategy and National Strategy for pharmaceutical system strengthening
- Build upon the lessons learned from past grant implementation
- Are inclusive and reflect inputs of diverse stakeholders, including the regulatory authorities, supply chain stakeholders, and lab authorities
Health product-related requirements

- Concept note narrative
- Programmatic gap tables
- Modular tool
- Assessment of pharmaceutical and supply chain strengths and weaknesses

**Rationale**—Concept note replaces the proposal process, and is a more cooperative process between the Secretariat and the CCM. Key PSM differences include:

- Integrating the procurement plan for health products in the modular tool to link programmatic targets and health products needs to the associated budget.
- Reviewing PSM arrangements through integrated assessment tool (light country profile)
- Identifying pharmaceutical and PSM system strengthening needs
- Separating coverage, outcome and impact indicators (used for performance-based funding) from input and process indicators (used to monitor grant implementation)
Health Product Management Requirements: Grant Making

**PSM-related Requirements**
- Finalized estimated needs (quantification aligned with program targets)
- Defined PSM arrangements to address the systems gaps and sustain the delivery of products

**Rationale**
Grant-making is a process of collaboration between the Secretariat and the PR to refine the Concept Note and translate it into a disbursement-ready grant.
- Refine details of activities and implementation to ensure they represent value-for-money
- Customize grant activities to address identified capacity needs and/or risks upfront rather than after grant signing
- Conduct comprehensive assessment of the PR using a single tool, rather than multiple tools applied at different times during grant lifecycle
- Ensure appropriate selections of indicators and realistic target setting rather than setting them prior to Secretariat review
NFM: Health Product Management Requirements across the Grant Lifecycle

- PSM coordination mechanism
- Health product management
- Supply chain strategy
- Health systems Strengthening

PSM arrangement assessment
Procurement planning
Assumptions reviews
NSP and standards treatment guidelines

Procurement reviews, on-site data verification, and rapid service quality assurance

Country Dialogue → Concept Note → Grant making

Year 1: ADCD
Year 2: ADCD
Year 3: ADCD

Performance assessment

PIP
Summary of New Funding Model Full Launch Planning
This is an initial plan: We anticipate teams will adjust and update timelines as work progresses

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<tr>
<th>Launch timing is tight</th>
<th>Launch timing is tight</th>
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<td>• Number of dependencies between fourth replenishment and timing of Board and Committee meetings for establishing new funding model financial and access to funding policies</td>
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<tr>
<th>Full launch Q1 2014</th>
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<tr>
<td>• Disbursements for some countries required by Q3 2014</td>
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<tr>
<td>• For countries and country teams to prepare disbursement-ready grants for Board approval in time</td>
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<td>• <strong>Countries to be notified about their allocations in Q1 2014</strong></td>
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<th>Key launch deliverables</th>
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<td>• Update CFP, allocation planning and announcement to countries</td>
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<td>• Develop access to funding policies</td>
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<td>• Finalize application materials and TRP matters</td>
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<td>• Prepare operational policies</td>
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<td>• Issue evaluation &amp; strategic information guidance</td>
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<td>• Improve country team &amp; technical team capacity</td>
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<tr>
<td>• Strengthen coordination of technical partners &amp; critical enablers</td>
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<td>• Streamline information &amp; online workflow</td>
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High demands on Secretariat Teams and Senior Management
Q4 2013 to Q1 2014
New Funding Model

The Global Fund’s new funding model is designed to enable strategic investment for maximum impact.

Transparency and independent review

Under the new funding model, the Technical Review Panel (TRP) continues to independently review all funding requests, maintaining transparency and accountability.

Launch of the new funding model

A transition to the new funding model is underway. Access to funding in the transition phase is by invitation, and special consideration will be given to countries in a position to achieve rapid impact, those at risk of service interruptions, and those currently receiving less than they would under the new funding model’s allocation principles. There is diversity across regions and diseases and types of applicants, so that elements of the new funding model can be tested and refined.

Full Implementation

Full implementation will begin in late 2013, once the level of available funding for the 2014-2016 cycle is established.