



until **we** end aids

# Civil Society and Key Populations:

Considerations for the Global Fund's  
New Funding Model

APRIL 2013

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CONSIDERATIONS FOR THE GLOBAL FUND'S  
NEW FUNDING MODEL



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# 1. Executive Summary

The Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund) is among the largest, most stable, and most important mechanisms through which countries and communities access resources to combat epidemics of each of the three diseases. Since its establishment in 2002, the Global Fund has provided, on average, about three billion US dollars annually in grants to mostly low and middle-income nations. In late 2012, the Global Fund Board approved a “New Funding Model” which significantly changes the manner in which funds are allocated, applied for, awarded, disbursed, and monitored. The New Funding Model (NFM) was formally launched on February 28, 2013—though it will remain in a transitional phase until 2014. Per the Global Fund, the NFM, “...allows it to invest more strategically, achieve greater impact, and engage implementers and partners more effectively.”<sup>1</sup> Over the next year the NFM will go through a “transition phase” with specific grantees, before being fully implemented in 2014. While there is much promise in the New Funding Model, there are many questions. The Global Fund has established a framework for the core aspects of grant funding under the NFM, but there remain countless details to be uncovered through real-world experience and regulated by Global Fund policy and protocol [see **Box 1** for a brief summary of key concerns and key recommendations emanating from the process to write this report].

This report reviews the key components of the New Funding Model from a civil society<sup>2</sup> and key population<sup>3</sup> perspective, with a focus on its impact on AIDS programmes. Incorporating the views of leaders from key populations and civil society around the world, the report provides a summary of some current top-level concerns related to the roll-out of the NFM and offers recommendations on how to implement the NFM in a manner which is responsive to and inclusive of civil society and key populations, and ultimately which has the greatest impact on ending the AIDS epidemic globally. The primary audiences for this report are community-based and civil society organizations, advocates, and implementers as well as the Global Fund Secretariat, the Strategy, Investment and Impact Committee (SIIC), and the Global Fund’s Technical Partners.<sup>4</sup>

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1 The Global Fund to Fight AIDS, Tuberculosis and Malaria. *Global Fund Launches New Funding Model*. 28 Feb 2013. Press Release. Available at: [http://www.theglobalfund.org/en/mediacenter/newsreleases/2013-02-28\\_Global\\_Fund\\_Launches\\_New\\_Funding\\_Model/](http://www.theglobalfund.org/en/mediacenter/newsreleases/2013-02-28_Global_Fund_Launches_New_Funding_Model/).

2 ICASO uses the term civil society to refer to people living with HIV, their groups and networks; community networks and community-based organizations, including those that support key affected populations; local, national and international non-governmental organizations (NGO); AIDS service organizations, faith-based organizations, NGO networks and NGO support organizations.

3 ICASO uses the term key populations, which refers to groups of people who are key to the dynamics of, and the responses to, HIV and AIDS. These populations include: people living with HIV, orphans and vulnerable children, women and girls, youth, sex workers, people who inject drugs, men who have sex with men, transgenders.

4 Technical (or Development) Partners include: the World Health Organization, UNAIDS, the United Nations Development Programme, Roll Back Malaria, Stop TB, and UNITAID.

***Box 1. Core concerns and recommendations addressed in this report***

**KEY CONCERNS**

- Blunt measures of “ability to pay” and “disease burden” may disadvantage middle-income countries and key populations
- Allocation criteria for Band 4 countries will need to be sensitive & sophisticated
- The Secretariat has not established guidance for Country Dialogues
- There are currently no clear penalties for CCMs which do not meaningfully include civil society and key populations
- Indicative funding amounts may serve as default “ceilings” for proposals, discouraging full expressions of demand
- FPMs may not be qualified to identify and engage with civil society and key populations
- The tension between being country-driven and committed to human rights persists

**KEY RECOMMENDATIONS**

- Ensure funding availability for key populations in countries labeled as higher income and lower burden
- The Country Dialogue process should be clearly defined, monitored, and supported
- Expand and clarify the Incentive Funding pool
- Provide up-front and on-going training to fund portfolio managers on working with civil society and key populations
- Civil society and key populations should be involved in all assessments of the NFM
- Sustain, update and expand Global Fund watchdog programmes

## 2. Methodology

This report was developed through a two-part research process: a literature review and a series of key informant interviews. The literature review included a number of Global Fund-issued documents including Board meeting decision points, press releases, online content, and other materials. Additionally, analyses of the New Funding Model and other Global Fund activities were reviewed and cross-referenced. The key informant interview process focused on leaders of global networks of key populations and advocacy organizations. Staff from the Global Fund and UNAIDS were also interviewed. A complete list of persons interviewed and consulted, along with organizational affiliations, is included in the acknowledgements section at the end of this report.

## 3. The New Funding Model, Civil Society, and Key Populations

The Global Fund was established in 2002 as an institution through which rich nations—“donor countries”—could assist in the financing of national responses to the epidemics of AIDS, tuberculosis, and malaria in less economically developed nations. Between 2002 and 2012 the Global Fund used a rounds-based funding model. Over the past decade the rounds-based system came under increasing criticism for being too bureaucratic and not performing with sufficient efficiency or transparency. A major overhaul of Global Fund structure and protocols became

### *Box 2. New Funding Model: Key Dates*

<b>NFM Launched</b> .....	February 2013
<b>Early Applicant Country Dialogues</b> .....	March-May 2013
<b>SIIC Meeting</b> .....	April 16-17, 2013
<b>Early Applicant Concept Notes due</b> .....	June 2013
<b>29<sup>th</sup> GF Board Meeting</b> .....	June 18-19, 2013
<b>Interim Applicant Concept Notes due</b> .....	Fall 2013
<b>30<sup>th</sup> GF Board Meeting</b> .....	December 4-5, 2013
<b>Finalization of NFM, and close of transition phase</b> .....	Late 2013
<b>Standard Applications open</b> .....	Early 2014

imperative with the publication of the High-Level Independent Review Panel report in September 2011, which presented a thorough critique and recommendations for redesigning the Global Fund away from a crisis-response model, to a more sustainable one.<sup>5</sup> In 2011, the Global Fund Board adopted a new strategy for improving its processes and increasing impact in the global response to the diseases over the years 2012-2016; it was titled “Investing for Impact.” One of the core objectives of the new strategy was to “evolve the funding model.”<sup>6</sup>

In early 2013 the Global Fund formally launched the New Funding Model (NFM), in a transitional phase. In a February 2013 blog post Mark Dybul, the Global Fund’s new Executive Director, explained, “Our goal with a new funding model is to achieve greater impact in the lives of people affected by HIV and AIDS, TB and malaria. (...) The cornerstone of our new approach is continuous communication.”<sup>7</sup> The NFM is intended to be responsive to the needs and concerns of various implementers, donors, and communities impacted by the three diseases [see **Box 3**]. With regard to AIDS, the Global Fund hopes that the NFM will allow for greater flexibility in funded programmes and accommodation of evolving technologies (biomedical and otherwise) and epidemiologic trends. There are some hallmark changes in structure and process represented in the NFM, some of which are discussed in this report.

Civil society organizations and key populations have played a variety of roles in the development and implementation of Global Fund grants since its inception. In some countries civil society groups, such as networks of people living with HIV, have played prominent roles in the development of proposals to the Global Fund. In some countries civil society groups have led the implementation of grants, as Principal Recipients. Yet in many other countries, civil society and networks representing key populations have been marginalized by local governments and large international NGOs and multilaterals throughout the development and implementation of grants. Each country has a different story. While the national contexts in which grants are carried out can take time to change, the establishment of the New Funding Model presents an opportunity to reassess the roles civil society can and should play, and to put in place policies and guidelines which support the engagement of those most impacted by AIDS, and ensure as just and effective a response as possible in each country.

Throughout its development, various civil society and key population advocates have been consulted and briefed on the elements of the New Funding Model. The basic outlines of the NFM have generally been accepted as a step in the right direction, but several aspects have emerged as being of special concern to civil society and key populations. The following sections address a selection of those elements and explore the opinions of some civil society leaders on how the details can be shaped to best engage those most affected by AIDS.

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5 The Global Fund. *Turning the Page from Emergency to Sustainability: The Final Report of the High-Level Independent Review Panel on Fiduciary Control and Oversight Mechanisms of the Global Fund to Fight AIDS, Tuberculosis, and Malaria*. 19 Sep 2011. Available at: [http://www.theglobalfund.org/documents/highlevelpanel/HighLevelPanel\\_IndependentReviewPanelOnFiduciaryControlsAndOversightMechanisms\\_Report\\_en/](http://www.theglobalfund.org/documents/highlevelpanel/HighLevelPanel_IndependentReviewPanelOnFiduciaryControlsAndOversightMechanisms_Report_en/)

6 The Global Fund. *The Global Fund Strategy 2012-2016: Investing for Impact*. Nov 2011. Available at: <http://www.theglobalfund.org/en/about/strategy/>.

7 Dybul, Mark. *A New Beginning, a New Funding Model*. 5 Mar 2013. Blog. Available at: <http://theglobalfund.org/en/blog/31594/>.

### ***Box 3. Core elements defining the New Funding Model***

The Global Fund has articulated several core elements that define the New Funding Model

**Flexible timeline:** Allows funding to be in greater alignment with national budget cycles.

**Simplicity:** Streamlined Concept Note begins application process, rather than an extensive proposal.

**Predictability:** “Indicative funding” amounts allow countries to anticipate the level of available resources.

**Focus:** on countries with high disease burden and low ability to pay

**Enhanced engagement:** Global Fund Secretariat will have ongoing country-level dialogue.

**Improved grant management:** More responsive and proactive grant management.

**“Unfunded Quality Demand”:** Components of country proposals not able to be immediately funded by GF will be kept in a registry for alternative funders or later funding by GF.<sup>8</sup>

## **3.1 KEY ELEMENTS OF THE NEW FUNDING MODEL**

Many changes in the allocation of funds, the solicitation of proposals, and the administration of grants are contained in the New Funding Model. Nearly all of them lack real-world testing, and most have not been accompanied by detailed protocol. Over the next year, the Global Fund will phase in and test elements of the NFM through a transitional phase. Each of the new components addressed in this paper will be evaluated during the transition phase.<sup>9</sup> This section highlights some of the major changes which have raised special concern among civil society and key population advocates.

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8 The Global Fund. *New Funding Model: Key Features*. Available at: <http://www.theglobalfund.org/en/activities/fundingmodel/keyfeatures/>. Accessed on 27 Mar 2013.

9 See section 3.2.3 of this paper for a more detailed discussion of the transition phase.

### 3.1.1. COUNTRY BANDS

#### *Key Issues*

- **Blunt measures of “ability to pay” and “disease burden” will disadvantage middle-income countries with concentrated epidemics among key populations and small but growing epidemics**
- **To ensure key populations are not overlooked in “higher income, lower burden” countries, allocation criteria for Band 4 countries will need to be sensitive to a range of issues such as “willingness to pay,” stigma, and discriminatory policies**

Recipient countries will be grouped into four “country bands” [see **Figure 1**] according to shared characteristics—principally *ability to pay* and *disease burden*. *Ability to pay* is based on per capita gross national income.



**Figure 1. Country Bands**

*Disease burden* is determined by national disease prevalence.<sup>10</sup> It is expected that grants and resources will skew towards those countries with least ability to pay (lower income) and greatest disease prevalence (high burden), or the “Band 1” countries; in fact, this is central to the Global Fund’s rationale for the NFM. The Global Fund has indicated that countries in Band 4 (higher income, low burden) will commonly be countries with epidemics concentrated among key populations such as men who have sex with men, young women, people who inject drugs, sex workers, transgender persons, migrant populations and ethnic minority communities. Country bands have been designed as a means of grouping countries for the purposes of evaluation and policy, not as a means for determining individual countries’ funding amounts. Despite the fresh language around the “country bands,” the eligibility criteria may not ultimately be subjected to much change—with the Eligibility, Counterpart Financing, and Prioritization (ECFP) policy

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<sup>10</sup> National disease prevalence refers to the total number of people living HIV or AIDS in proportion to the total national population.

remaining in place.<sup>11</sup>The Global Fund has stated that the country band approach is designed to support the diversion of resources to the countries and communities in most need of its limited resources, but in practical terms has no bearing on per-country funding allocations.

Civil society responses to the country band approach vary. On its surface, the notion of diverting limited resources to where they are “most needed” leaves little room for disagreement. However, AIDS, TB, and malaria epidemics, and the national responses to them, tend to be riddled with nuance—political, legal, and social—and are rarely served well by simple solutions. Numerous civil society leaders referred to the criteria for country band assignment as “very blunt.” This is the starting point of civil society and key population apprehension about the country band approach. There is concern that the formula itself will disadvantage smaller communities hit hard by AIDS in countries with low national prevalence, mid-to-high income, or both. By focusing exclusively on national level income and disease information, much about need in a country can be missed—such as concentrated epidemics and pockets of poverty, stigma and discrimination, and human rights violations of key populations. There is growing concern that middle-income countries will lose resources via the Country Band approach in the NFM. The dimensions of this concern are described in greater detail in a recent report by the Eurasian Harm Reduction Network (EHRN) [see **Box 4**].<sup>12</sup>

***Box 4. Mud in the water of “Lower Income, Higher Burden”***

- **Nearly 80% of the world’s poor live in 5 middle-income countries.**<sup>13</sup>
- **3 of the 5 countries with the highest HIV burden are middle-income countries.**<sup>14</sup>

*Highlights adapted from EHRN Report*

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- 11 ECFP Policy uses three criteria: 1. Is a country eligible for GF support (Eligibility), 2. The minimum level of the national government’s contribution to the national disease programme (Counterpart Financing), and 3. If needed due to insufficient funds to support all recommended proposals, priority is given to countries with highest composite scores based on income level, disease burden, and technical review panel score (Prioritization). The Global Fund. *Policy on Eligibility Criteria, Counterpart Financing Requirements, and Prioritization of Proposals for Funding from the Global Fund*. May 2011. Available at: <http://tinyurl.com/cayto74>.
- 12 Eurasian Harm Reduction Network. *The Global Fund’s New Funding Model: What it Might Mean for You and Your Country*. Mar 2013. Available at: [http://harm-reduction.org/images/stories/News\\_PDF\\_2013/hrm\\_en\\_new.pdf](http://harm-reduction.org/images/stories/News_PDF_2013/hrm_en_new.pdf).
- 13 Summers, T. *Where Did All the Poor People Go?* 16 Oct 2012. Center for Strategic and International Studies. Available at: <http://www.smartglobalhealth.org/blog/entry/where-did-all-the-poor-people-go/>.
- 14 Glassman, A., Duran, D., and Sumner, A. *Global Health and the New Bottom Billion: What Do Shifts in Global Poverty and the Global Disease Burden Mean for GAVI and the Global Fund?*. 2011. Center for Global Development. Available at: <http://www.cgdev.org/content/publications/detail/1425581>.

With a stronger focus on burden than on income, the Strategy, Investment, and Impact Committee (SIIC) has recommended the vast majority of resources be spent in “high burden” countries. In order to address need in lower burden countries, the Global Fund has made special considerations for those countries. Band 4 has emerged as the core concern for civil society and key population advocates in the country band approach. The Global Fund has suggested that the country band approach protects funding for key populations, particularly where Band 4 is concerned. Civil society advocates, on the other hand, have received Band 4 (and the country band approach in general) with a mix of confusion and trepidation.

While final band assignments and allocations will be made later this year, preliminary (and unofficial) estimates suggest that nearly 60 countries will be placed in Band 4, with 7-10% of all funds available to them based on allocation scores [see **Box 5**]. The approach to Band 4 is reminiscent of the Most At-Risk Populations (MARPs) strategy of the rounds-based funding model. But advocates are concerned that without strong alternatives to Country Coordinating Mechanisms (CCM) and country-level programmes, i.e. non-CCM proposals and regional

***Box 5. What you need to know:***

***Does Country Band assignment determine funding amount? Not really.***

Country Band assignment criteria is intended to be more straightforward than funding allocation criteria; per capita gross national income and disease burden being the only two measures. The funding amount for a given country is determined independently, and takes into account more factors such as “willingness to pay,” past performance, external funding, regional proposals, and others to be determined. Individual countries receive an allocation score based on this assessment, which produces a “funding share.”

Once the GF has determined its total projected resources for an allocation period, it will apportion funds to Country Bands based on the total shares of the countries in each Band. Thus, a country’s funding level is not determined by its Country Band assignment, but rather by applying its individual allocation score to the total projected resources of the Global Fund. However, Country Band assignment criteria may be a useful, albeit blunt, measure for approximating funding for countries in a given Band. *Note: Country Band 4 allocations will be subject to separate, not yet determined, allocation criteria.*<sup>15</sup>

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15 The Global Fund. *Evolving the Funding Model (Part Two)*. Decision Point 4 of the 28<sup>th</sup> meeting of the Global Fund Board. Nov 2012. Available at: [http://www.theglobalfund.org/Knowledge/Decisions/Board\\_Meeting\\_28/DP4/](http://www.theglobalfund.org/Knowledge/Decisions/Board_Meeting_28/DP4/)

proposals, and clear protections against human rights violations, key populations will be left to fend for themselves with hostile national governments impeding access to limited funds. This scenario is highly anticipated by civil society and key population leaders in the Eastern European and Central Asia (EECA) region, with most nations there falling into Band 4. While it is the only region where HIV incidence is consistently growing, many governments in EECA have a record of ignoring the needs and rights of people who use drugs, men who have sex with men, sex workers, transgender people, and other key populations. Countries such as Russia and Ukraine qualify for Band 4, meaning that they have significant “ability to pay,” yet history and politics there dictate that national governments will not pay for programmes for stigmatized groups; perhaps a significant “ability to pay,” but with limited to no “willingness to pay.” Civil society and key populations advocates in the Latin American and Caribbean (LAC) and Middle East and North Africa (MENA) regions have also expressed apprehension due to low national prevalence rates and governments which have historically ranged from unfriendly to outright repressive of key populations most impacted by AIDS. The EECA, LAC, and MENA regions include many countries with small yet rapidly escalating HIV epidemics. The prevalence in these countries remains low, but incidence year-over-year is growing considerably. This presents a critical opportunity for strategic investment which the NFM may not currently have the flexibility to seize upon.

Herein lies the principal concern for civil society and key populations with the country band approach: with extremely limited resources and uncooperative national governments, how will key populations in “higher income, lower burden” countries (particularly middle-income countries) access lifesaving support from the Global Fund sufficient to make a difference in their local epidemics? Harm reduction services and programmes for sexual minorities have been highlighted as being most at-risk for cuts in the New Funding Model. The Global Fund has yet to articulate a strategy for addressing this highly-anticipated gap.

### 3.1.2 COUNTRY DIALOGUES

#### *Key Issues*

- **The Secretariat has not, but should, establish clear guidance for Country Dialogues**
- **There are currently no clear penalties for CCMs which do not meaningfully include civil society and key populations in Country Dialogues; nor are there sufficient provisions to support such inclusion**

Country Coordinating Mechanisms (CCMs) are the country-level bodies responsible for proposal development and grant oversight. CCMs typically involve representatives from the ministry of health, implementing partners, prospective Principal Recipients, and representatives of civil society and people living with or affected by the diseases.<sup>16</sup> In the rounds-based system these stakeholders assessed the country’s epidemic and developed a proposal to submit to the Global Fund, through a process determined at the country-level. Traditionally, proposal submission was the first point of engagement for the Global Fund Secretariat, and the proposal was the first

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<sup>16</sup> Membership of CCMs should comprise a minimum of 40% representation of non-government constituencies (excluding multilateral and bilateral partners)

part of the process to be defined and required by the Global Fund. In the NFM, the “Country Dialogue,” which leads to the development of a Concept Note, is a codified part of the country-level process. The Global Fund has indicated a requirement that Country Dialogues take place, with the intention that they inform the Concept Note,<sup>17</sup> which is ultimately generated by the CCM. Additionally, the Global Fund has stipulated that civil society organizations and representatives of key populations should be involved in the Country Dialogue. However, there has been minimal guidance provided on how Country Dialogues should be carried out and what the imperative inclusions of civil society should look like. Furthermore, the Global Fund Secretariat has stated that it will not convene or manage the Country Dialogues, but that technical partners may play a significant support role.

Multi-stakeholder consultations have historically been an important part of the Global Fund process, and were an innovation in donor-driven funding at the time of the Global Fund’s founding. The incorporation of civil society in these consultations—now called “country dialogues”—has in many cases been valued not only by the Global Fund but also by national governments. However, there has also been a broad experience within CCMs in which government officials dominated and civil society was marginalized, to the detriment of key populations. Despite the Global Fund’s stated commitment to their inclusion in the Country Dialogue, there is little to suggest that CCMs which do not meaningfully include civil society and key populations will be held accountable. There is not a formal policy requiring civil society or key population participation, nor is there guidance on what meaningful involvement looks like. Although most advocates see Global Fund’s stated commitment to an influential role for key populations in Country Dialogues as sincere, many questions remain as to how well a vaguely defined process with no strong accountability measures can guarantee meaningful involvement.

It is unclear who is responsible for ensuring civil society and key populations participation. Given that the Country Dialogue occurs prior to the submission of a Concept Note, will Fund Portfolio Managers (FPMs) have a role to play? Will there be Secretariat staff assigned to participate in Country Dialogues? If a Band 1 country were to outright disregard civil society, or not engage key population advocates in a meaningful way, would funding be withheld or diminished? Clear guidance for CCMs and some accountability measures will aid in ensuring civil society and key population voices in Country Dialogues.

The challenges associated with key population participation in Country Dialogues become even more acute when members of those populations are exposed to high levels of stigma (inside and outside of the CCM), and especially when the behaviors that put them most at risk for HIV infection (and therefore most in need of Global Fund support) are illegal, as is commonly the case for, people who use drugs and sex workers, and sometimes for men who have sex with men as well. For example, how might someone speaking as a person who injects drugs remain safe from prosecution when faced by a CCM stacked with government officials? The simple act of outing oneself in order to fulfill the promise of key population engagement may itself be calamitous to the individual, if not the network they represent. How might the Global Fund work to construct safe spaces for members of key populations? Will there be sufficient work-around options such as regional and non-CCM proposals? Will these be available to key populations in countries in all Bands?

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<sup>17</sup> Concept Notes are the new form of proposal to be submitted by the CCM to the Secretariat.



“Members of key populations have a very difficult time being able to voice their issues in a way that gets across. ... As an example of the pressure, Saint Lucia has corporal punishment enshrined in legislation here. So it’s hard to expect young people to speak openly. From an early age people are not encouraged to speak up.”

-MARCUS DAY, ST. LUCIA

A further concern has also been raised related to key population representatives’ participation in Country Dialogues: key population representatives may not be as effective in presenting their arguments as politicians who generally have more experience in this area. They may lack the appropriate educational background to effectively engage with highly technical material and find themselves pitted against “experts” with illustrious titles and academic credentials. This disparity can contribute to the marginalization of concerns raised by these representatives even when they are included. How might the Global Fund support key population representatives to ensure their voices are not ignored even when they are given an opportunity to “be in the room?”

### 3.1.3 INDICATIVE FUNDING VERSUS INCENTIVE FUNDING

#### *Key Issues*

- **Indicative funding amounts may serve as default “ceilings” for proposals, discouraging full expressions of demand**
- **There is apprehension that in high-burden countries, key population programs will be routinely relegated to the incentive portion of proposals**

An important part of making funding in the NFM more “predictable” is the establishment of “Indicative Funding” amounts for countries. Indicative funding refers to the pre-determined amount of funding available to a given country. Countries still must submit concept notes, receive sufficient technical review scores and obtain board approval before grant agreements are finalized. The intent of indicative funding levels is to allow countries to make plans based on a known quantity of base funds available.

In addition to indicative funding, countries may compete for “Incentive Funding.” This pool of

funds—which is expected to be much less than those assigned to the indicative pool<sup>18</sup>—may be applied for by countries seeking to augment their indicative grants. The availability of incentive funding is, according to the Global Fund, intended to inspire ambition among CCMs and encourage countries to make “full expressions of demand.” The Global Fund has been clear in articulating that indicative funding will not, in many cases, cover the full amount requested by countries—even when augmented with incentive funding. The resulting discrepancy between indicative and requested amounts is dubbed “Unfunded Quality Demand.”

Civil society responses to indicative and incentive funding streams are mixed. One of the more common critiques is that the predetermined indicative funding levels function as a “ceiling” for proposals, which may lead to countries self-imposing limits on proposals, rather than making a “full expression of demand.” This may be a casualty of “improved predictability,” a core principle of the New Funding Model. The Incentive Funding pool and registry of “Unfunded Quality Demand” are intended to both encourage full expressions of demand, and provide mechanisms for possible funding. Civil society and key population leaders played a significant role in advocating for Incentive Funding, though some have lamented that the Global Fund is not pursuing it aggressively enough for sufficient effect.

In countries with more generalized epidemics, some apprehension with the indicative/incentive model exists. Civil society leaders are concerned that government-dominated CCMs may relegate key populations to the incentive portions of their funding, and leave them out of the more certain (and robust) indicative proposals. This would put programmes targeting key populations at risk of languishing in the Unfunded Quality Demand registry, rather than receiving the priority they deserve as often-marginalized and highly-vulnerable populations. Even in countries with broader epidemics, key populations such as men who have sex with men, people who inject drugs, and sex workers are hit especially hard by AIDS—and as such should be prioritized in national responses. If a country can easily use all its Global Fund support to pay for programmes for less stigmatized populations such as children, how will it be motivated to prioritize stigmatized and criminalized groups such as people who inject drugs, transgender people, men who have sex with men, and sex workers?

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18 As no decision has yet been made on the proportion of the incentive pool in the post-transition NFM, this remains a (widely-held) assumption. In the transition phase, 20% of *new funding* has been allotted to the incentive pool.

## 3.2 ADDITIONAL ISSUES

### 3.2.1 DISBANDING OF THE CIVIL SOCIETY TEAM AND NEW ROLE FOR FUND PORTFOLIO MANAGERS

#### *Key Issues*

- **Most FPMs do not have substantial experience with civil society and key populations; and there is not sufficient internal support to help them do engage with them effectively**

In 2012, as part of a broad restructuring of the Secretariat, the Global Fund’s Civil Society Team<sup>19</sup> was disbanded. The Civil Society Team had been established to increase the engagement of civil society partners in, “all aspects of Global Fund activities, including governance, implementation and oversight....”<sup>20</sup>

The Civil Society Team also worked to ensure the inclusion of civil society and key populations in Global Fund-supported programmes, as well as mainstreamed human rights issues in grant implementation and evaluation. The Civil Society Team also played a critical role in advancing the Global Fund’s strategies on Gender Equality, and Sexual Orientation and Gender Identities (SOGI). In the New Funding Model, with the absence of the Civil Society Team, their former responsibilities have been transitioned to the Fund Portfolio Managers (FPMs). FPMs are the Secretariat’s lead administrators on grants, and have been traditionally focused exclusively on the management of grants. The monitoring of human rights concerns, inclusion of key populations, and engagement with civil society has not been part of the FPM’s purview prior to the NFM.

Given that FPMs are principally grant managers, whose most important qualifications are financial management skills, there is concern that, in general, FPMs may not, on day one, have the experience to effectively take on the civil society and human rights components of their positions. That FPMs are financial managers first, may mean that civil society and key populations concerns take on secondary (or less) importance. And even in cases where a given FPM is particularly interested in meaningful engagement of civil society and key population advocates, they will likely not have the experience, credibility, or networks to do so effectively. Although the leadership at the Global Fund has indicated that firm expectations will be placed on FPMs to engage diverse stakeholders, without nuanced experience working with these groups, the reality of FPM engagement may be more of a checklist approach—which will not be adequate. And while the establishment of the Technical Partnerships and Advisory Team [see **Box 6**] is a step in the right direction, it may not be realistic to expect three staff persons to effectively monitor human rights, health and community systems strengthening, gender issues, and key populations across roughly \$20 billion in grants in 149 countries. However, there is a value in bringing the responsibility of civil society and key populations engagement into the core of grant management, and out of a sequestered office at the Secretariat. In this change an opportunity exists to strengthen civil society voices

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19 Formally named, the “Civil Society and Private Sector Partnerships Team,” it is herein referred to as the Civil Society Team.

20 The Global Fund. *Civil Society and the Private Sector: Objectives and Activities*. Available at: <http://www.theglobalfund.org/en/civilsociety/objectives/>. Accessed on 24 Mar 2013.

### ***Box 6. Technical Partnerships & Advisory Team***

Three Specialists:

- **Community Systems Strengthening and Civil Society**
- **Human Rights and Equity**
- **Gender and Key Populations**<sup>21</sup>

in grant management and evaluation. But for this value to be realized, FPMs' understanding of key population vulnerabilities and civil society organizations, and their sensitivity to human rights concerns, will need to be strengthened. Importantly, they will need to be held accountable for performing in these areas just as stringently as in sound grant management. Ongoing training and evaluation of FPMs on civil society and key population concerns, regular opportunities for FPMs to interface with their leaders, and clear accountability standards will be essential.

### 3.2.2 OPERATIONALIZATION OF THE GENDER EQUALITY & SEXUAL ORIENTATION AND GENDER IDENTITY STRATEGIES

#### ***Key Issues***

- **The tension between being country-driven and committed to human rights persists, and will continue without clear guidance and penalties associated with GES, SOGI, and human rights**

Since the establishment of the *Gender Equality Strategy* (GES) and the *Sexual Orientation and Gender Identities Strategy* (SOGI) the Global Fund Secretariat has looked to Country Coordinating Mechanisms to implement them. The Global Fund itself acknowledges significant variations in implementation of GES and SOGI in recipient countries; ranging from rigorous commitment to the strategies to the pursuit of national legislation in direct conflict with their core principles. A formative evaluation of GES and SOGI conducted in 2011 found that while the Global Fund Board's approval of the strategies in 2008 and 2009 were historic and extremely important for the visibility of key populations, implementation and accountability related to the strategies has too frequently fallen short.<sup>22</sup>

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21 The Global Fund. *Global Fund Engagement with Civil Society*. Information Note. Sep 2012. Available at: <http://tinyurl.com/d73dj2u>.

22 Pangaea Global AIDS Foundation. *Formative Evaluations of the Gender Equality and Sexual Orientation and Gender Identities Strategies of The Global Fund to Fight AIDS, Tuberculosis & Malaria*. Sep 2011. Available at: <http://tinyurl.com/bngqw83>.



“We need to make sure that the systems are in place to ensure that all of the FPMs have ready access to advice on civil society dynamics and issues and have completed the requisite training for engaging with civil society, particularly key affected populations.”

-DON BAXTER, AUSTRALIA

The Global Fund’s 2012-2016 Strategy devotes one of its five strategic objectives to “promoting and protecting human rights” [see **Box 7**]. For the Global Fund, advancement of GES and SOGI are central to action based on the objective. The strategic actions associated with this objective, include barring non-compliant programmes from receiving Global Fund money, bringing a human rights perspective to every aspect of Global Fund business, and making special investments in rights-based approaches.<sup>23</sup> In principle, many civil society advocates applaud the language and priority given to promoting and protecting human rights. However, the question of enforcement looms large. Without clear evaluative measures or penalties, accountability becomes difficult, if not impossible. Furthermore, many CCMs will require ongoing capacity building and guidance on the appropriate incorporation of rights-based approaches, and the meaningful inclusion of key populations in all Global Fund-related business.

### 3.2.3 TRANSITION TO THE NEW FUNDING MODEL

Most of 2013 constitutes the “transition phase” of the NFM. The Global Fund expects that the transition phase will conclude with the full implementation of the NFM in 2014. The Secretariat has contextualized the transition phase as a time for learning; a time where all stakeholders—Global Fund included—will come to understand the NFM, observe strengths and weaknesses, and identify and prioritize elements for revision and enhancement. Being less than a full year in length, the transition phase has been praised for not dragging out, while at the same time concerns have been raised regarding the ability of CCMs to produce meaningful concept notes, and countries to establish appropriate protocols with very short turn-around periods.

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23 An in-depth analysis of the ongoing tension between the Global Fund’s principle of respecting national sovereignty and its commitment to upholding human rights was published by the Open Society Foundations and the Canadian HIV/AIDS Legal Network in February 2011. *Human Rights and the Global Fund to Fight AIDS, Tuberculosis and Malaria*. Available at: <http://www.opensocietyfoundations.org/reports/human-rights-and-global-fund-fight-aids-tuberculosis-and-malaria>.

The transition phase is best illustrated by the three categories of applicants: early applicants, interim applicants, and standard applicants [see **Figure 2**]. The countries which have been invited as early applicants have already been announced: Democratic Republic of the Congo, El Salvador, Kazakhstan, Myanmar, the Philippines, and Zimbabwe.<sup>1</sup> Additionally three regional early applicants have been invited: the Eurasian Harm Reduction Network (for AIDS in Eastern Europe and Central Asia), the Regional Artemisinin Resistance Initiative (for malaria in Southeast Asia), and the Regional Malaria Elimination Initiative in Mesoamerica and Hispaniola (for malaria in Central America, Haiti, and the Dominican Republic). Early and interim applicants will be able to access funding in 2013<sup>24</sup>, whereas standard applicants will be eligible for funds in 2014. A complete list of countries with eligibility information is available from the Global Fund.<sup>25</sup>

***Box 7. Strategic Objective 4: Promote and Protect Human Rights***

**Strategic Action 4.1:** Ensure that the Global Fund does not support programmes that infringe human rights

**Strategic Action 4.2:** Integrate human rights considerations throughout the grant cycle

**Strategic Action 4.3:** Increase investment in programmes that address rights-related barriers to access (including those relating to gender inequality)

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24 The Global Fund. *Countries Participating in the New Funding Model*. Available at: [http://www.theglobalfund.org/Documents/core/newfundingmodel/Core\\_NewFundingModelCountries2013\\_List\\_en-4294930451/](http://www.theglobalfund.org/Documents/core/newfundingmodel/Core_NewFundingModelCountries2013_List_en-4294930451/) Accessed on 18 Apr 2013

25 The Global Fund. *Global Fund Eligibility List for Renewals in 2013*. Available at: [http://www.theglobalfund.org/documents/core/eligibility/Core\\_EligibleCountries2013Renewals\\_List\\_en/](http://www.theglobalfund.org/documents/core/eligibility/Core_EligibleCountries2013Renewals_List_en/). Accessed on 29 Mar 2013.

Type of Applicant	Timing for next available new funding	Mechanism for funding	NFM elements tested
Early	Transition phase: from Q1 2013 to end of Q3 2014	New grant; requires concept note	<ul style="list-style-type: none"> <li>• Allocation methodology</li> <li>• Country Dialogue</li> <li>• Concept note</li> <li>• TRP review</li> <li>• Incentive funding</li> <li>• Grant-making</li> </ul>
Interim		Existing grants: <ul style="list-style-type: none"> <li>• Reprogramming</li> <li>• Renewal</li> <li>• Extension</li> </ul>	<ul style="list-style-type: none"> <li>• Parts of allocation methodology</li> <li>• Country Dialogue</li> <li>• TRP review</li> </ul>
Standard	From January 2014	New grant; requires concept note	<p>During transition phase:</p> <ul style="list-style-type: none"> <li>• Country Dialogue</li> <li>• Strengthening PR and CCM capacity</li> </ul>

Figure 2. Categories of applicants during transition phase<sup>26</sup>

26 The Global Fund. *Transition Manual for the New Funding Model of the Global Fund*. Available at: <http://www.theglobalfund.org/en/accesstofunding/>. Accessed on 30 Mar 2013.

## 4. Recommendations

### RECOMMENDATIONS FOR THE GLOBAL FUND SECRETARIAT

**1. Ensure funding availability for key populations in countries labeled as higher income and lower burden.**

Expanded allocation formulas that include indicators beyond per capita gross national income and overall prevalence should be applied to countries—particularly those in Band 4. Additional indicators might include incidence trends, historical cooperation of national governments, availability of prevention and treatment services, and disease burden in key populations.<sup>27</sup> Expanded opportunities for regional and non-CCM proposals will be critical to reaching communities in great need of support inside countries with uncooperative governments. Special attention should be given to countries in the EECA, MENA, Southeast Asia, and Latin American and Caribbean regions.

**2. The Country Dialogue process should be clearly defined, monitored, and supported by the Global Fund Secretariat, in association with the technical partners, to ensure meaningful participation of civil society and key populations in concept note development and programme implementation.**

**2a.** Clear guidance on what baseline acceptable civil society participation looks like in a Country Dialogue should be provided to all countries. As a minimum, 20% of CCM members and 25% of Country Dialogue participants should be members of civil society.

**2b.** The Global Fund Secretariat should work with national governments to put in place protections for persons speaking on behalf of stigmatized and criminalized key populations. The protections may include non-prosecution agreements, personal identity protections, and temporary security details for public events.

**2c.** When national governments are unwilling to compromise on behalf of criminalized key populations, the Global Fund should ensure that sufficient work-around options are available to those populations. Acceptable work-around options may include regional applications, non-CCM proposals, and remote Country Dialogue participation for key population representatives (i.e. teleconference or videoconference).

**2d.** The Global Fund Secretariat should directly offer or indirectly support capacity building and technical support services for civil society and key population representatives to increase the impact of their participation in Country Dialogues and on CCMs.

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<sup>27</sup> While inconsistency in data will continue to compromise indicators, more sensitive assessment tools remain essential.

**3. Provide up-front and on-going training to fund portfolio managers on working with civil society and key populations.**

The integration of human rights considerations into grants management will be positive for key populations only if FPMs are adequately trained on the importance of civil society and key population involvement. Additionally FPMs will need skills-building and technical support for working with civil society and key populations in a supportive and mutually beneficial manner.

- 3a.** Training for FPMs on civil society and key population issues should be conducted directly by the Global Fund Secretariat. Conducting the trainings internally will ensure that staff experience them as essential to the performance of their duties. However, the Global Fund does not currently have the capacity to develop such trainings without outside support.
- 3b.** Training modules should be developed in close consultation with civil society and key population networks. The Global Fund should provide adequate resources for civil society to meaningfully participate in the development of the training modules. Technical partners should also be involved—particularly UNAIDS.
- 3c.** Expansion of the Technical Partnerships and Advisory Team to at least two staff per focus area, and establish regional focus for staff members. This will increase the capacity of the Team to liaise with civil society in a meaningful manner and provide substantive guidance to FPMs.

**4. Enforce and support adherence to Strategic Objective 4: Promote and Protect Human Rights.**

The Global Fund should uphold the three Strategic Actions to not fund programmes which infringe on human rights, integrate human rights considerations throughout all stages of a grant cycle, and to increase investments in programmes that address rights-related barriers to access. While there should be penalties for countries which refuse to address human rights concerns, the Global Fund and its technical partners should also offer supportive services and encourage bilateral and multi-lateral dialogues to help governments to curb human rights abuses in their own countries.

- 4a.** Ensure that CCMs understand that human rights interventions are fundable under the indicative funding stream. Monitoring the rate of inclusion of human rights interventions in Concept Notes will be important as well.
- 4b.** Work with civil society to establish standardized methods of monitoring implementation that are responsive to civil society concerns and useful to the Secretariat, so that they can play a more impactful “watchdog” role.

**5. Civil society and key populations should be involved in all assessments of the NFM, particularly during the transition phase.**

There is a broad agreement that civil society has an indispensable “watchdog” role to play in the roll-out and implementation of the New Funding Model. The Global Fund should collaborate with key population networks to identify independent financing to support these watchdog

functions. Global Fund internal assessments must also include civil society representatives from the country and international levels. Robust civil society monitoring should continue into all future phases of implementation and evaluation.

## RECOMMENDATIONS FOR THE STRATEGY, INVESTMENT AND IMPACT COMMITTEE (SIIC)

**1. The Country Dialogue process should be clearly defined, monitored, and supported by the Global Fund Secretariat, in association with the technical partners, to ensure meaningful participation of civil society and key populations in concept note development and programme implementation.**

**1a.** Accountability measures for civil society participation in Country Dialogues should be established. These measures should include reductions in indicative funding for CCMs which do not demonstrate adequate civil society participation, as well as independent verification by the Secretariat with country-level and network-level civil society representatives.

**2. Establish technical review measures based on the inclusion of key population epidemiological data and programmes in indicative funding proposals for all countries in all Country Bands.**

All Global Fund applicants should be required to demonstrate a sound assessment of the AIDS burden among key populations as part of their Concept Note. Additionally, a rationale on the proportion of requested funds to be dedicated to key populations should be scored as part of the technical review.

**3. Expand and clarify the Incentive Funding pool.**

The philosophy of the incentive funding stream is to encourage full expressions of demand, yet the disparity between indicative and incentive funding streams is vast and will likely inhibit many countries from making such expressions. By shifting a portion of funds from indicative to incentive, CCMs and others may be more ambitious in their concept notes. Key populations

“The Global Fund has a role in working with countries that have the money to pay for services for trans folks, to do so...to provide trans groups with start-up money to help them lobby to get funding within their country.”

-JUSTUS EISFELD, USA

are likely to benefit significantly from increased incentive funding.

- 3a.** The incentive funding stream should be evaluated in 2014 to assess its uptake by countries, impact for key populations, and influence on full expressions of demand. Civil society and key populations should be involved in this evaluation.

## RECOMMENDATIONS FOR CIVIL SOCIETY

### **1. Maintain a constructive approach to the New Funding Model.**

Civil society has an unprecedented opportunity to shape the NFM, to ensure that it is as responsive as possible to key populations and human rights concerns. While critiques of the NFM and Global Fund decisions are an absolutely critical aspect of what civil society does, we must be as vigilant in offering solutions to problems at the Secretariat level. Additionally, civil society has an invaluable role to play at the country level in mobilizing communities to push national governments towards greater transparency and increased inclusion of key populations.

### **2. Demand accountability measures for civil society and key population inclusion in every stage of Global Fund grants.**

In its watchdog role, civil society must demand that inclusion of key populations goes beyond rhetoric and manifests in CCMs, Country Dialogues, Technical Review Panel scores, programme implementation and evaluation. Clear guidance on inclusion and clear penalties for countries who neglect to include civil society should be established and enforced. Civil society groups should make specific recommendations on what those guidelines and accountability measures are prior to the Global Fund Board meeting in June 2013.

- 2a.** Develop and mainstream a standardized methodology for monitoring Global Fund grants and programs. The current ad-hoc approach does not allow for comprehensive monitoring and feedback to the Secretariat. Civil society should work with the Secretariat to establish standardized documenting and reporting methods that are responsive to their concerns and useful to the Global Fund in grants management and monitoring.

### **3. Support national advocacy efforts to help bring government policies in line with human rights agreements and the Gender Equality and Sexual Orientation and Gender Identity Strategies.**

National and international civil society groups should use SOGI and GES as advocacy tools to advance human rights in recipient countries.

### **4. Sustain, update and expand Global Fund “watchdog” programmes.**

Civil society should work with the Global Fund to identify independent financing for “watchdog” programmes.

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