



Joint Position Paper of Civil Society Organizations on the Global Fund New Funding Model

At the moment a Global Fund Strategy, Investment and Impact Committee (SIIC) is preparing for its 4th meeting on the issue of the Global Fund's New Funding Model (NFM) which will take place on 29 – 30 August 2012 in Geneva. As a result of this meeting SIIC could take a final decision regarding the options for NMF model and send its guidance on the development of NMF to the Global Fund Board. In advance to this meeting we - organizations representing civil society including communities of people living with HIV, most vulnerable populations, and non-governmental HIV service organizations from different regions and countries around the world - consider it necessary to inform members of the SIIC about our position on some issues which could be critically important to be considered when making decision regarding NFM options.

No country specific envelopes should be introduced within NFM

The introduction of the funds allocation approach within the NFM based on country specific envelopes will be a shift from the demand-driven model of the Global Fund. We support the position of the Developed Country NGO Delegation that pre-determined country funding allocations are in practice funding ceilings that by definition will quash well-informed expressions of country demand, undermine the principle of investing strategically and fail to reward country ambition or results.

In addition the envelope funding allocation will reduce the ability of countries to express their full need. There will be no any incentive for countries to express full demand within their application if it exceeds the funding available within the envelope.

Therefore the introduction of country specific envelopes is unacceptable as they will undermine the implementation of the Global Fund Strategy despite the intended benefit of predictable funding by suppressing the full expression of demand thus resulting in unmet needs (country-and/or among key affected populations).

“NGO rule” should be preserved or the “OECD’s DAC list filter” should be eliminated

According to the Global Fund Policy on Eligibility Criteria, Counterpart Financing Requirements, and Prioritization of Proposals for Funding from the Global Fund “UMICs not listed on the OECD’s DAC list



of ODA recipients are ineligible to apply for funding for HIV and AIDS proposals except if the application is submitted by a non-governmental organization (NGO) within the country in which activities would be implemented and for which the government of such country shall not receive any funding”. This so-called “NGO rule” should at the very least- remain part of the eligibility criteria within the NFM, and at best, not being listed on the OECD’s DAC list should not be the barrier for any country to apply for Global Fund HIV grants. There is no such requirement for TB or Malaria grants nor any reason (besides the desire of donors to restrict access of UMIC to funding) to apply this filter to Russia, Lithuania and Bulgaria – as the only three countries in the world this rule concerns.

“55% rule” should be eliminated and the NFM should not duplicate it

The Global Fund should be global. That means that the opportunities for middle-income countries to access Global Fund funding should not be limited. And a rule that 55% of all funding should go to low-income countries, introduced at the 25th meeting of the Global Fund Board in November 2011, limits the funding for middle-income countries. Moreover this rule affects MARPs primarily as under the 55% rule (if it is unfrozen) most ongoing HIV projects funded by the Global Fund in MICs will be forced to find savings of 25% or more, compromising the quality and scope of activities. It is MARPs who frequently bearing the largest share of the cuts as the bulk of the MARPs-focused HIV prevention cuts fall on activities such as NGO development, service capacity building and other types of community systems strengthening.

Another approach to limit funding for middle-income countries and to duplicate the effect of “55% rule” is to introduce country envelopes. That is why it is important not only to eliminate 55% rule but also to ensure that the NFM will not use the “envelope approach” as a model for funds allocation. Any new allocation approach introduced within the NFM must ensure that UMIC’s are not disadvantaged.

Eligibility and access should be simplified and encouraged for countries where i) the Global Fund currently provides the majority of resources for harm reduction; ii) few other reasonable sources are identifiable; iii) governments are unable or unwilling to support harm reduction and other targeted activities for drug users, sex workers and MSM; and iv) NGOs rely on Global Fund support to sustain and scale up services for PWID and other vulnerable populations.

MARPs pool should be preserved

A mechanism analogous to the Targeted Pool should be introduced within the NFM. Funds within this new channel should be targeted ONLY to MARPs and its share should be no less than 10% of the Global Fund’s financing over any period as was the case in the previous model. Otherwise the resources



available for projects targeted on MARPs (which are of a great importance for countries with a generalized epidemic) will be significantly reduced and that will mean that the Global Fund will make little progress in ending the epidemic among MARPs. And again this will limit MICs' access to Global Fund funding as generalized HIV epidemics among MARPs are mostly specific for these countries.

Application for regional projects, projects targeted on MARPs, emergency procurement funds etc. should not compete with each other as they are not comparable. Even if a multi-purpose pool (MPP) will be introduced – it should have separate envelopes for each type of specific initiatives including the envelope for MARPs which will be not less than 10% of a base pool.

If Global Fund is really about universal access and full demand, then the % spent on different components should be driven by needs – not by donors and financial circumstances. By no means should MARPs pool be only a part of 10% MPP.

Opportunity for Regional proposals should be preserved

The possibility of developing regional proposals should be available within the NFM. Regional approaches give opportunities for sharing experiences and building stronger support networks for MARPs in countries that have common cultural, linguistic and historic values. Besides providing opportunities for sharing experience, the regional approach builds a stronger support network and a platform for cultivating ideas and engaging a range of stakeholders in activities that are otherwise difficult to implement at the national level where health service providers and advocates are often more focused on day-to-day concerns over project implementation and funding.

Regional proposals targeted to MARPs should have different funding options from country proposals within the MARPs pool, because these activities have different goals and operate at a much different scale concerning regional policy and advocacy, community mobilization as well as service development on the regional level including coordination and covering of migration issues.

Dual-track financing should be prioritized

The Dual-Track Financing model should become the main model for the implementation of the Global Fund grants. Civil society and the private sector can, and should, play a similar role as government structures in the development of proposals and the implementation and oversight of grants at the country level.



There still should be the opportunity to submit the non-CCM proposals

The Global Fund should maintain possibility for NGOs to submit non-CCM proposals. It is important for countries or cases when governments fail to cooperate with NGOs or criminalize vulnerable groups such as MSMs, IDUs or sex workers, or CCMs refuse to include proposals from civil society groups and NGOs. For example thanks to this rule Russia got its 3rd Round grant on HIV prevention and treatment services that is still being implemented and was recently approved for TFM.

Nothing about us – without us

Meaningful involvement of non-government sector representatives (and especially those representing KAPs) should be ensured at all stages of the proposal development process within the NFM including the concept note development stage. Involvement of MARPs should be particularly ensured in the development of applications targeted at MARPs. The FPM and later – the TRP should ensure this and take relevant measures if any gaps arise. It is important to develop recommendations on transparent representatively of all MARPs on the CCM level and during negotiation process.

CSS must become the compulsory component of all those applications targeted to MARPs.

The Secretariat and TRP must be able to demonstrate their capacity to undertake dialogue on CSS, human rights, the Sexual Orientations and Gender Identities (SOGI) policy, gender issues, etc. and develop a plan to address related gaps and weaknesses.

Eurasian Harm Reduction Network (Lithuania)

Civil Society Action Team (CSAT) Initiative

International HIV/AIDS Alliance in Ukraine

Southern African AIDS Trust

Eurasian Coalition on Male Health (ECOM)

Non-profit Partnership ESVERO (Russia)

Community of PLHIV in Uzbekistan

Association “Harm Reduction Network”, Kyrgyz Republic

Association “Positive initiative” (Moldova)

Regional Centre for Community Policies (Moldova)

NGO New Life (Moldova)

NGO Mothers for Life (Moldova)