

# Constituency Funding Policy<sup>1</sup>

December 2016

## 1. Objective of the Policy and types of support

- i. This Constituency Funding Policy (“Policy”) sets out the funding support provided to constituencies of the Implementer Voting Group, as described in the Operating Procedures of the Board and Committees (referred to as “Implementer Constituency” or “Implementer Constituencies”) in order to facilitate their meaningful and informed participation in, and strengthen their engagement with, Global Fund governance processes.
- ii. Under this Policy, the Global Fund provides funding support of: (i) core activities of individual Implementer Constituencies; and, (ii) cross-constituencies activities<sup>2</sup>. Exceptional requests by an implementer Constituency or the Implementer Constituencies as a group for additional funding in excess of the Overall Funding Ceiling (as defined below) are handled in accordance with Annex A to this Policy.

## 2. Roles and responsibilities

- i. The Global Fund Board is responsible for approving this Policy and for delegating to the Ethics and Governance Committee (“EGC”) the authority to determine the maximum amount of funds potentially available to support the funding of the activities covered under this Policy (“Overall Funding Ceiling”) for three-year periods (“Funding Cycle”)<sup>3</sup>.
- ii. The EGC shall determine the Overall Funding Ceiling for the three-year period of a Funding Cycle, within the limits set by the Board under this Policy, and shall, in this regard, review any changes to the Overall Funding Ceiling proposed by the Secretariat at the end of each three year Funding Cycle.

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<sup>1</sup> As approved by the Board through electronic decision on 8 December 2016, Decision Point GF/B36/EDPo2

<sup>2</sup> The activities for which funding is requested under this Policy shall be carried out by the Implementer Constituencies themselves. Support provided to an Implementer Constituency under this Policy must not duplicate any funds received for similar purposes through other Global Fund funding (CCM, Grant, etc.) or through complementary funding.

In addition to the funding support envisaged under this Policy, the Global Fund also provides other indirect and logistical assistance to Implementer Constituencies (e.g. funding for the travel and subsistence cost of three members of each Implementer Constituency’s delegation to Board meetings (the Board Member, the Board Alternate, and the Communications Focal Point); travel and subsistence cost of attending committee meetings for each member holding a seat nominated or held by an Implementer Constituency; the provision of meeting space prior to Board meetings at no cost; the provision of key services such as translation of Board and committee documents; onboarding of new Board Members, Alternates and Focal Points; distribution and centralization of documents and organization of key consultation opportunities in advance of Board and committee meetings). Funds for the costs of such assistance are approved separately through the standard OPEX processes and are not included in the Overall Funding Ceiling under this Policy.

<sup>3</sup> The total amount of the Overall Funding Ceiling shall be used to cover the Individual Funding Envelopes (as defined below) and the Cross-Constituency Funding Envelopes (as defined below) under this Policy. The Overall Funding Ceiling determined by the EGC must not exceed an annual average of USD 1.5 million per year of the Funding Cycle (currently representing 0.5% of the anticipated Operating Expenses Budget (OPEX)) without prior approval of the Board. Anticipated annual average for the Overall Funding Ceiling for the Funding Cycle 2017-2019 is USD 1.2 million.

- iii. The Secretariat, through the Office of Board Affairs (“OBA”), shall be responsible, under the oversight of the EGC, for the administration on a day to day basis of this Policy and shall report annually on the implementation of this Policy to the EGC.

### 3. Entry into force, first Funding Cycle and amendments

- i. This Policy shall enter into force once approved by the Board.
- ii. The first Funding Cycle under this Policy will be the three year period starting on 1 January 2017 and ending on 31 December 2019.
- iii. Any amendments to this Policy shall be subject to the approval of the Board, and shall be submitted to the Board through the EGC.

### 4. Funding support for individual Implementer Constituencies

- i. Prior to the start of each Funding Cycle, the OBA shall determine, and communicate to each Implementer Constituency, the Individual Funding Envelope available for the said Implementer Constituency for a given Funding Cycle. The Individual Funding Envelope shall be taken into account by the Implementer Constituency for the submission of its funding application for a given Funding Cycle.
- ii. The Individual Funding Envelope shall consist of:<sup>4</sup>
  - 1. A baseline amount of up to USD 100,000 for each Implementer Constituency; and, if required,
  - 2. An additional amount for each Implementer Constituency facing specific challenges with regard to its engagement with Global Fund governance processes as a result of its particularities, including in terms of size, physical distance between constituency members, geographical location and language diversity.
- iii. Following the communication by the OBA of the corresponding Individual Funding Envelope, each Implementer Constituency may submit a funding application for the three year Funding Cycle<sup>5</sup>. The funding application must be accompanied by supporting documentation, including a three-year costed work-plan outlining the planned activities, anticipated impact and costs to be supported in the applicable Funding Cycle.
- iv. Each Implementer Constituency may apply for up to the total Individual Funding Envelope communicated for the three year period.
- v. Exceptions to the Individual Funding Envelope may be permitted by the Secretariat during the Funding Cycle, in consultation with the Leadership of the EGC, subject to the

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<sup>4</sup> While the Individual Funding Envelope is composed of the two components sets out in article 11 of this Policy, actual expenditures from previous funding cycles and the availability of complementary or in-kind contributions are also taken into account for the determination of the total amount of the Individual Funding Envelope.

<sup>5</sup> The funding application must be signed by the Board Member, Alternate Member and one additional constituency member from a country (for government constituencies) or organization (for civil society constituencies) other than the country/organization of the Board Member or Alternate Member as well as a representative from the Recipient Institution.

availability of unused funds under the Overall Funding Ceiling for a given Funding Cycle.

## 5. Eligible costs for each Implementer Constituency

- i. Funding support may be requested under this Policy by an Implementer Constituency in its funding application to cover the eligible costs set out in the non-exhaustive list below:
  1. Communication and information dissemination.<sup>6</sup>
  2. Organization and facilitation of pre-Board and pre-committee consultation meetings<sup>7</sup>.
  3. Support for salaries or fees for the Communications Focal Point or administrative assistance to the Communications Focal Point<sup>8</sup>.
  4. Office expenses of the Constituency Focal Point, including equipment and supplies, excluding vehicles.
  5. Cost of participation at Board meetings of delegation members<sup>9</sup>.
  6. Cost of consultancy fees for engagement of external experts for technical and advisory support for constituency functions not described above<sup>10</sup>.

## 6. Cross-constituencies funding support

- i. The ten (10) Implementer Constituencies may also request, as a group, funding support to strengthen the coordination across the Implementer Constituencies and the engagement of the Implementer Constituencies, as a group, at Board level and with the Global Fund governance processes.
- ii. Prior to the start of each Funding Cycle, the EGC shall determine, and include in the Overall Funding Ceiling within the overall threshold approved by the Board, an amount for funding cross-constituency activities (“Cross-Constituency Funding Envelope”)<sup>11</sup>.
- iii. Following the communication by the OBA of the Cross-Constituency Funding Envelope, the Implementer Constituency as a group may submit a funding application for the three year Funding Cycle. The funding application must be accompanied by supporting

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<sup>6</sup> For example, fees related to Board Member, Alternate and Focal Point communication with constituency members and communication within the constituency; constituency conference calls and/or meetings; establishing and updating a website or newsletter; translation of key information; onboarding of new constituency members, off-boarding of exiting constituency members.

<sup>7</sup> This includes costs of venues and hospitality, participant travel, interpretation and documentation.

<sup>8</sup> Constituency funding made available pursuant to this Policy may not be used towards remuneration of the Board Member or Alternate Board Member.

<sup>9</sup> The delegation members are additional to the three participants to the Board meetings provided for in the Operating Procedures. Constituencies that consist of multiple countries or organizations should aim for diverse representation from across the constituency.

<sup>10</sup> Including but not limited to development of constituency guidelines; research to inform constituency positions/considerations related to key strategy; policy decisions presented to the Board for approval.

<sup>11</sup> The provision and its amount shall be re-evaluated after each three year Funding Cycle based on expenditure and demonstrated needs and may be adjusted for future Funding Cycles.

documentation, including a three-year costed work-plan outlining the planned activities, anticipated impact and costs to be supported in the applicable Funding Cycle.

- iv. Funding support may be requested under this Policy by the Implementer Constituencies, as a group, in its funding application to cover the eligible costs in the non-exhaustive list below:
  1. Cross-constituency information sharing and capacity building<sup>12</sup>.
  2. Engagement of external expertise to conduct research or analysis in key areas identified across the Implementer Constituencies to help inform discussion and decision taking at the Board (within the scope of the core functions of the Board and in line with upcoming agenda items for decision).
  3. Administrative/Coordination support<sup>13</sup>.
  4. Organization and facilitation of annual Implementer Retreat meetings<sup>14</sup>.
  5. Cost associated with the development, oversight and implementation of the Implementer Group Roadmap.

## 7. Implementation, reporting and oversight

- i. While funding applications for Individual Funding Envelope and the Cross-Constituency Funding Envelope must cover the full Funding Cycle, disbursements are made annually and are subject to the inclusion and availability of funding in the applicable operating expenses budget, which the Audit and Finance Committee (AFC) recommends to the Board for approval prior to each fiscal year.
- ii. Following the approval of the funding applications by the OBA, funds will be transferred at the beginning of each calendar year of the Funding Cycle to the recipient institution<sup>15</sup> designated under the terms of a written agreement to be concluded by and between the Global Fund and each Implementer Constituency and the relevant recipient institution or the Global Fund, the Implementer Constituencies as a group and the relevant

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<sup>12</sup> For example, expenses related to pairings or activities between constituencies to share information, knowledge, best practices, and lessons learned; online platforms for information sharing; development of online webinars or training tools.

<sup>13</sup> Support for salaries or fees for administrative and coordination assistance to the leadership of the Implementer Group. Support for salaries covered through constituency funding must not duplicate any funds received for that specific purpose through other Global Fund funding (CCM, Grant, etc.) or through complementary funding.

<sup>14</sup> This includes costs of venues and hospitality, participant travel, interpretation and documentation.

<sup>15</sup> The recipient institution will generally be the institution with which the Board Member or Communications Focal Point is associated for individual constituencies or the institution with which the Chair of the Implementer Group is associated for cross-constituency funding. In cases where the Board Member, Communications Focal Point or Chair of the Implementer Group is associated with an institution that is not an incorporated body or separate legal entity, the Implementer Constituency or the Implementer Constituencies as a group must nominate another entity. In the event that the Board Member, Communications Focal Point or Chair of the Implementer Group associated with the recipient institution changes, the outgoing Board Member or Communications Focal Point is required to ensure that any remaining funds are transferred to the institution with which the incoming Board Member, Communications Focal Point or Chair of the Implementer Group is associated or their nominated entity.

recipient institution (“Funding Agreement”)<sup>16</sup>. The Secretariat and the Implementer Constituency will consult to identify a suitable funding flow arrangement that is accountable, transparent and verifiable.

- iii. Each Implementer Constituency and the Implementer Constituencies as a group must submit on an annual basis (at the end of each calendar year of the Funding Cycle) expenditure and activity reports to the Global Fund as documented in the Funding Agreement. Disbursements for the following year within the Funding Cycle are subject to the receipt and validation of these reports by the Secretariat<sup>17</sup>.
- iv. Unspent funds cannot be carried forward between three-year Funding Cycles.
- v. Each Implementer Constituency and the Implementer Constituencies as a group must commit to use the funding provided under this Policy solely for the purposes described in the funding application and in accordance with the approved costed work-plan and the terms and conditions of the Funding Agreement. Material changes to the costed work-plan will require Secretariat written approval<sup>18</sup>.

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<sup>16</sup> The Funding Agreement must be signed by Board Member or Communications Focal Point of the relevant Implementer Constituency for the individual funding applications and by the Chair of the Implementer Group for cross-constituency funding.

<sup>17</sup> The Secretariat may also delay an annual disbursement if less than 50% of the disbursed funds from the previous year have been spent.

<sup>18</sup> This written approval can take the form of a letter signed by the Head, Office of Board Affairs (OBA) or his/her delegate, or via email confirmation from the Head, Office of Board Affairs or his/her delegate.

# Annex A

## Exceptional requests for Additional Funding

- i. On occasion, opportunities are identified which may fall outside or beyond the scope of the activities covered this Policy but which are deemed to further facilitate the engagement of the Implementer voice in the Global Fund governance processes. These initiatives may provide clear benefits to overall implementer engagement in overall governance processes and contribute to better discussions, decisions and results at the Global Fund Board and would merit the consideration by the Board or its standing committees.
- ii. The purpose of this Annex is not to open up an avenue for frequent and supplemental requests to cover activities already provided for under this Policy. Exceptional funding requests should be as stated, ‘exceptional’ and only considered if there is a clear value-add to the Global Fund governance in terms of implementer engagement. As such, no funds are allocated for exceptional requests under the Policy, approval of the exceptional request will be dependent on the identification of sufficient funding through the mechanisms outlined below.

### 1. Approval and reporting of exceptional requests

- i. Request for additional funding in excess of the Overall Funding Ceiling shall be treated on an exceptional basis and shall be subject to the following conditions:
  1. A separate funding request with a costed work-plan including anticipated impact and associated costs must be submitted to the OBA by: (i) either the Board Member, the Alternate or Focal Point of an Implementing Constituency; or (ii) a member of the leadership of the Implementer Voting Group.
  2. The requesting party must demonstrate efforts to secure funding for the activities through complementary sources outside of the Global Fund or through their own resources.
- ii. Approval for the funding of exceptional requests will made in accordance with the decision making processes approved by the FOPC (FOPCo4/DP01).
- iii. The OBA will conduct a preliminary review and the Secretariat will first seek to identify whether funds to cover the exceptional request are available within the overall approved OPEX budget.
- iv. If available funds are identified within the overall approved OPEX, the exceptional requests may be approved by the Secretariat, in consultation with the Leadership of the EGC<sup>19</sup>.

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<sup>19</sup> FOPCo4/DP01: Budget Reallocation. In accordance with its authority to approve a framework for budget adjustments, reallocations or additions within the Board-approved operating expenses budget (GF/BM26/DP4), the Finance and Operational Performance Committee (the “FOPC”) decides: a. The Secretariat shall present to the FOPC for prior approval any change to an expense category line item that results in a variation of both more than 10% and US\$ 2.5

- v. If the amount of funding requested exceeds the decision-making authority delegated to Secretariat, the request will be jointly approved by the Ethics and Governance Committee (EGC) and the Audit and Finance Committee (AFC). Continued funding of the exceptional request will be subject to funding being included, and approved, in the following year's OPEX.
- vi. In the event that funds are not identified within the existing OPEX ceiling, the request will be placed to the full EGC committee for consideration. If agreed, the EGC, in consultation with the AFC will make a funding recommendation to the Board. In line with existing financial policies, final approval for amounts in excess of the approved OPEX budget ceiling sits with the Board.
- vii. Funding for exceptional requests are not included in the Overall Funding Ceiling approved under this Policy.
- viii. Funding requests approved through this mechanism are subject to the same validation and reporting processes as funding provided to individual Implementer Constituencies as described in paragraphs 19 -23 of this Policy and the OBA will report annually on the implementation such requests to the EGC.

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million from the corresponding line item in the Board-approved operating expenses budget; and b. The Secretariat may approve any other changes to an expense category line item in the Board-approved operating expenses budget.