

Geneva, 16 December 2019

Dr Jean-Pierre Nyemazi
Rwanda CCM Chair
Permanent Secretary
Ministry of Health
P O Box 84
KIGALI
Rwanda

Subject: **2020-2022 ALLOCATION LETTER¹**

Dear Dr Nyemazi,

For the past 17 years, the Global Fund has worked with partners around the world to fight AIDS, tuberculosis and malaria and strengthen health systems. Together, we can recognize and applaud the massive progress made, and we can share collective determination to accelerate efforts to end these epidemics and ensure better health and wellbeing for all by 2030. We know it is within reach, but with 11 years left, we have no time to waste. We must step up the fight, through increased innovation and collaboration and improved execution to address some of the major challenges.

It is essential that we focus on reducing incidence and scaling-up effective prevention efforts, invest in strengthening both health and community systems, prioritize our investments with key and vulnerable populations, and ensure we tackle human rights-related barriers to health and gender inequalities. We also need to ensure sustainability of the success we achieve, including working together to mobilize increased national resources for health. The Technical Review Panel (TRP) that assesses funding requests to the Global Fund has underlined these areas in depth in its Observations Report² and these focus areas are consistent with updated Global Fund guidance, available in Information Notes and Technical Briefs³. We encourage you and all those involved in the preparation of the funding request to read these carefully.

Rwanda allocation

Based on the Global Fund Board's decision in November 2019 on the funding available for the 2020-2022 allocation period, **Rwanda has been allocated US\$190,161,352 for HIV, tuberculosis, malaria and building resilient and sustainable systems for health (RSSH)**. The allocation amounts for all countries have been determined according to a methodology approved by the Global Fund Board, primarily based on disease burden and income level. Rwanda is classified as a low-income country⁴.

¹ This letter includes annexes and links, which should be read together and in-full.

² <https://www.theglobalfund.org/en/technical-review-panel/reports/>

³ <https://www.theglobalfund.org/en/funding-model/applying/resources/>. Each of the four Core Information Notes include a short executive summary.

⁴ Determined from gross national income (GNI) per capita using the World Bank income group thresholds for 2019.

Table 1: Summary of allocation

Eligible disease component	Allocation (US\$)	Allocation Utilization Period
HIV	121,349,916	1 July 2021 to 30 June 2024
Tuberculosis	14,016,245	1 July 2021 to 30 June 2024
Malaria	54,795,191	1 July 2021 to 30 June 2024
Total	190,161,352	

Application approach. Rwanda is invited to submit its applications for HIV, TB and malaria funding using the Tailored for National Strategic Plans funding request. If you elect not to use this funding request approach you are requested to use the Full Review application form. A complete set of application materials will be shared by the Global Fund country team. All funding requests are required to be developed through inclusive and transparent country dialogue with a broad range of stakeholders including key and vulnerable populations.

Timing. The allocation agreed for each disease component can be used during the relevant allocation utilization period indicated in Table 1 (above). Any remaining funds from a previous allocation, unused by the start of the indicated allocation utilization period, will not be additional to the allocation amount⁵.

Implementation. The Global Fund recognizes the value of efficient implementation and encourages all countries to explore opportunities to streamline and consolidate implementation arrangements for the coming allocation period. Specifically, as has been the case previously, the Global Fund encourages Rwanda to submit a joint funding request for TB/HIV.

Program split. The Global Fund has proposed an indicative split of funds across eligible disease components in Table 1 (above). However, the Country Coordinating Mechanism (CCM) has the responsibility to assess and propose the best use of funds across these disease components and related investments in the health system. Applicants can choose to accept the Global Fund split or propose a revised one based on a data-based analysis of programmatic gaps and in consideration of the funding needed to maintain essential programming. The Global Fund will carefully review the justification for any program split change.

Aims of allocation. The funding request submitted to the Global Fund should be aligned with prioritized country needs and guided by relevant National Strategic Plans and program reviews.

The allocation for the HIV, TB and malaria components have been adjusted upwards (from the allocation formula amount that primarily considers disease burden and income level) to account for program performance for the HIV and TB components and for the malaria component to mitigate the risk of malaria resurgence in the country. The Global Fund strongly encourages the Government of Rwanda to continue planning and embedding sustainability considerations in the design of its funding requests and co-financing commitments given the overall decrease in funding allocation for the 2020-2022 allocation period (compared to the 2017-2019 allocation period) and potential for future decreases.

⁵ Any extension of an existing grant will be deducted from the subsequent allocation utilization period, both in terms of time and funds used during the extension period.

Importance of investments in health and community systems. The Global Fund encourages applicants to invest in strengthening health and community systems as these are essential to accelerate progress towards ending the epidemics. The Global Fund welcomes i) initiatives to introduce and strengthen integrated care from a patient perspective (including addressing co-infections or providing coherent care packages such as integrated ante-natal services), as well as ii) investments in underlying system capacities necessary to achieve impact and sustainability (including labs, supply chains, data systems, community-based monitoring, community mobilization, advocacy and organizational development, and human resources for health at the community and facility level). To achieve greater value for money and effectiveness, the Global Fund encourages applicants to explore opportunities for integration across the three diseases and within broader systems for health wherever possible. Tracking improvements in results requires robust measurement and the Global Fund anticipates that applicants will invest appropriately to strengthen data collection and use. More guidance is available in the RSSH Information Note and Community Systems Strengthening technical brief on the Global Fund website⁶.

Importance of investments in human rights and gender. Removing human rights and gender-related barriers in access to services is critical to ending the epidemics. When unaddressed these barriers undermine effective and impactful responses and limit sustainable progress. Detailed guidance on effective investments in programs and approaches that address human rights and gender-related barriers, including key interventions for incorporation into funding requests, can be found in the technical briefs on the Global Fund website⁷.

Importance of increasing domestic resources. Increasing domestic resources for health, and specifically for HIV, tuberculosis and malaria, is essential to end the epidemics and strengthen the health systems that are the foundation of the disease response. This is particularly important for Rwanda in the current context given the decrease in Global Fund allocation funding for HIV and potential for future decreases. Accessing the 2020-2022 allocation is dependent on meeting the Global Fund's co-financing requirements. All countries are expected to i) progressively increase overall health spending in accordance with recognized international declarations and national strategies and ii) progressively take on key program costs, including those currently financed by the Global Fund. In addition, 15% of Rwanda's allocation is a co-financing incentive, accessible only when Rwanda makes and realizes additional domestic commitments targeted as per the requirements of the Sustainability, Transition, and Co-Financing (STC) policy⁸. Further details about co-financing requirements and the co-financing incentive are included in Annex A.

Financial sustainability, including the imbalance between external and domestic financing of health remains a major challenge identified in the Health Sector Strategic Plan IV (2018 – 2024) which seeks to ensure a sustainable, equitable and efficient health financing system for all Rwandans through adequate resources mobilization by 2024. Although great efforts have been made to increase the nominal health budget resulting in a 22.9% growth between FY 2013/14 and 2017/18, during the same period, it declined as a share of the national budget from 10.8% to 8.3%, remaining below the 15% target set in the Abuja Declaration.

⁶ <https://www.theglobalfund.org/en/funding-model/applying/resources/>

⁷ <https://www.theglobalfund.org/en/funding-model/applying/resources/>

⁸ https://www.theglobalfund.org/media/4221/bm35_04-sustainabilitytransitionandcofinancing_policy_en.pdf

The Global Fund applauds the efforts made by the Government of Rwanda to pre-emptively address the issue of sustainability in collaboration with the health development partners and the Global Fund remains committed to continue supporting the Government of Rwanda including in its efforts to develop innovative financing and sustainability strategies as identified through the Fourth Health Sector Strategic Plan 2018 – 2024 and accompanying Health Financing Strategic Plan. In this regard, the Global Fund stands ready to work with the Government of Rwanda and other development partners to address key sustainability challenges such as those being faced in the Community Based Health Insurance scheme.

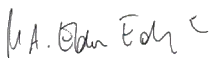
Opportunities for funding beyond the allocation amount

Rwanda may be eligible for additional catalytic matching funds beyond the allocation amount. The Global Fund is in the process of establishing matching funds for Improved Data Science in Community Health. Up to US\$2,000,000 may be made available for this priority area. The applicant will need to submit an integrated funding request including interventions for both the total matching fund amount as well as the matched allocation amount. Further details are included in Annex B.

Unfunded quality demand. The Global Fund requests that all applicants develop a Prioritized Above Allocation Request (PAAR) and submit this along with the allocation funding request. Interventions from the PAAR that the TRP considers quality demand will be listed on the Register of Unfunded Quality Demand (UQD). In the 2017-2019 allocation period, over US\$1.2 billion of unfunded quality demand was funded, through savings and efficiencies identified in grant-making and/or implementation, portfolio optimization, private sector investments and Debt2Health debt swaps. Submitting a robust PAAR is an essential step to accessing funding beyond the allocation amount.

I thank you for your efforts in the global fight against HIV, tuberculosis and malaria.

Sincerely,



Mark Eldon-Edgington
Division Head, Grant Management

Annex A: Supplementary information for Rwanda

Currency. The allocation for Rwanda is denominated in US dollar. If you would like to change currency to better match your country's financial and monetary context, notify your Fund Portfolio Manager by 15 February 2020. Global Fund allocations can only be denominated in US dollar or euro.

Value for money procurement. To maximize the impact of allocations, the Global Fund will not finance commodities purchased at a price higher than the reference price for such commodities, where one exists. Please consult the Global Fund website for a consolidated reference price list⁹. The reference price is set based on the globally negotiated price for specific health and non-health products either via the Pooled Procurement Mechanism (e.g. through wambo.org) or through partner platforms such as Stop TB Partnership's Global Drug Facility. If the outcomes of a procurement process for products meeting the relevant clinical and quality standards result in selecting a supplier of commodities with a price higher than the relevant reference price – taking the Total Cost of Ownership into consideration– national or other resources must be used to pay the difference. Refer to the Budgeting Guidelines¹⁰ for more details.

Strengthening sustainability and impact of investments

To strengthen the overall impact and sustainability of Global Fund investments, the Global Fund has two different requirements. "Application focus requirements" outline how countries should invest Global Fund financing and "co-financing requirements" outline how countries should invest domestic commitments made in the context of Global Fund grants. These requirements differ based on a country's income classification.

Application focus requirements:

As Rwanda is classified as a low-income country, there are no restrictions on the programmatic scope of allocation funding for HIV, TB or malaria requests and applicants are strongly encouraged to include RSSH interventions. Applications must include, as appropriate, interventions that respond to key and vulnerable populations, human rights and gender-related barriers, inequities and vulnerabilities in access to services.

Co-financing incentive requirements for the 2020-2022 allocation:

Total amount of 2020-2022 allocation subject to additional co-financing investments in disease programs and/or RSSH as described below (15% of 2020-2022 allocation): US\$28,524,203.

Minimum amount of additional co-financing investments for Rwanda to access full co-financing incentive: US\$14,262,101. The minimum amount of additional domestic commitments must be in addition to the domestic investments made in the implementation period of the previous allocation cycle¹¹.

Rwanda is classified as a low-income country and has the flexibility to invest 100% of the additional co-financing investments required to access the co-financing incentive either in RSSH interventions or disease programs.

⁹ <https://www.theglobalfund.org/en/sourcing-management/health-products/>

¹⁰ <https://www.theglobalfund.org/en/documents-by-type/implementers/>

¹¹ Commitments of additional co-financing investments must be made to the relevant disease programs and/or related RSSH over the implementation period of the grant, as per the requirements in the STC policy.

Commitments to access the co-financing incentive should specify specific activities to be financed and how realization of commitments will be verified and reported to the Global Fund. Rwanda should provide confirmation of co-financing commitments and evidence of realization of those commitments from appropriate government authorities, including the Ministry of Finance or other relevant bodies.

The Global Fund acknowledges the efforts made by the Government of Rwanda to meet its co-financing commitments. Significant efforts have been made in this regard, with the increases in the domestic financing of Malaria being notable.

The Global Fund also acknowledges the efforts made by the Government of Rwanda aimed at improving efficiency in the Procurement and Supply Chain Management system. The establishment of the Rwanda Medical Supply agency is a notable step in this regard as are the measures designed to ensure the integration of data systems through the new Rwanda Health Analytics Platform. The continued use of the successful National Strategy Financing Model to manage Global Fund contributions will provide the Government of Rwanda with the flexibilities necessary to pursue these initiatives.

Previous co-financing and domestic commitments for the 2017-2019 allocation:

Failure to realize previous co-financing commitments from the 2017-2019 allocation may result in the Global Fund reducing funds from existing grants and/or reducing the 2020-2022 allocation. Rwanda should submit evidence of the realization of previous commitments when submitting the funding request.

Table 2: Domestic commitments for 2017-2019 allocation

Program	Currency	2018	2019	2020	2021
HIV	US\$	20.08 M	20.03 M	20.29 M	20.08 M
Tuberculosis		1.54 M	1.63 M	1.63 M	N/A
Malaria		14.28 M	13.46 M	14.10 M	14.10 M
RSSH		35.96 M	35.03 M	36.02 M	N/A
Total Government Contribution		71.86 M	70.16 M	72.03 M	34.18 M

Source: Funding Request and background documents submitted via access to funding process for the 2017-2019 Allocation

Annex B: Catalytic Matching Funds

Data Science in Community Health Catalytic Matching Funds

Rwanda is eligible for additional funding for priority area Improved Data Science for Community Health. This funding aims to incentivize the programming and use of country allocations towards strategic priorities that will help to deliver the Global Fund's mission to end the epidemics of HIV, tuberculosis and malaria and to support attainment of the Sustainable Development Goals. This funding should catalyze innovation and ambitious programming approaches and maximize impact in in this strategic priority area.

A corresponding increase in programmatic targets and coverage is anticipated through both the increased use of country allocations and use of matching funds towards the relevant catalytic investment priority.

The Global Fund is in the process of establishing matching funds for Improved Data Science for Community Health.

Subject to funding confirmation¹², an additional amount of up to US\$2,000,000 will be made available to match an equivalent investment of Rwanda's from the country allocation in the Improved Data Science for Community Health priority area (matching 1 US\$ for each US\$ invested from Rwanda's allocation). To access these funds, Rwanda must submit a quality application that invests an amount of the country allocation that is at minimum the amount of the available matching funds to strengthen community health information systems¹³.

Additional programmatic conditions

In addition, specific programmatic conditions for each area of catalytic funding will form the basis for TRP review and GAC approval. More detailed information and guidance on each of the priority areas, including any relevant programmatic conditions, will be shared in January 2020.

Strategic Initiative for technical assistance for matching funds

In order to operationalize the catalytic matching funds, Rwanda is also eligible to receive technical support through Strategic Initiatives. The details on how to access this support will be communicated at a later stage.

¹² Further details will be available in January 2020

¹³ To satisfy the match, Country allocations can be invested in Community health information systems. Additional details will be available through guidance issued in January 2020