



Independent observer  
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## GLOBAL FUND BOARD APPROVES TRANSITION PHASE FOR IMPLEMENTING THE NEW FUNDING MODEL

Implementation of the new funding model approved by the Global Fund Board (see article 4) will roll out in 2013 with a test of the full implementation in about five countries. The lessons from countries that participate in this phase will be absorbed into the NFM as it gains momentum for full implementation for all eligible countries in 2014.

Funds for this first phase will come either from existing grants being reprogrammed or from uncommitted assets that the Global Fund has on hand. The amount available from uncommitted funds will be set by the Finance and Operational Performance Committee (FOPC) of the Board. The Secretariat will decide which countries will participate, based on various criteria: (1) countries that are significantly under-funded in 2013–2014; (2) countries that face a severe risk of service interruptions; (3) the countries that are likely to achieve rapid impact; and (4) countries that come from diverse settings e.g., with different economies, sizes, geographies and varied capacities. Participants may also include countries with non-CCM and regional grant proposals. Countries may not necessarily have to meet all three criteria.

The Global Fund will consider that a country is “under-funded” if it is slated to receive less funding for 2013–2014 (from existing grants) than it would get from the application of the formula to be used under the new funding model.

Countries not invited to participate in this phase are encouraged to develop their strategic plans for the three diseases and begin the iterative country dialogue stage with the Global Fund’s Grant Management teams. This allows development of the concept notes in preparation for submission to the Fund in early 2014.

Once the amount of allocation is known from the FOPC, the Secretariat will first split the available resources between the three diseases, based on the historical distribution of the Global Fund's portfolio (52% for HIV, 32% for malaria, and 16% for TB). Then an indicative funding range for each country will be established. The ranges will be based on the degree to which each country is underfunded and the level of funding required to prevent programmatic service interruptions, as well as other qualitative factors (such as funding available from other sources).

Current Global Fund eligibility criteria will apply to this phase.

Applicants will be able to request funds for targeted interventions, including those that specifically support most-at-risk populations (MARPs). In fact, all upper-middle-income countries included in this phase would be required to focus on MARPs.

Only some of the countries selected for the transition phase will be invited to participate in two important elements of the new funding model: the submission of a concept note, and the opportunity to obtain incentive funding in addition to indicative funding. The Secretariat will establish the amount of incentive funding available to these countries.

The Secretariat and the Technical Review Panel (TRP) have identified points in the process where the TRP will review funding requests. This applies to all countries in the transition phase. It is expected that the TRP and its way of working and communicating will change from current practice. These changes are being worked out by the Secretariat and the Board.

During the transition phase, funding decisions will be taken by the Board through electronic voting. During this phase, the Secretariat will report quarterly to the SIIC on which countries are participating. The SIIC will be responsible for assessing the overall effectiveness of the NFM based on a monitoring and evaluation plan yet to be finalised by the Secretariat.

The text of the Board decision on the new funding model can be found in the Board Decision Points document available at [www.theglobalfund.org/en/board/meetings/twentyeighth](http://www.theglobalfund.org/en/board/meetings/twentyeighth). The paper submitted by the SIIC (Document GF/B28/02) should be posted shortly at the same site.

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