



Independent observer  
of the Global Fund

## Deadline for Round 11 Applications Extended to At Least 1 March 2012

Current estimates of funds available for Round 11 significantly lower than forecasted in May 2011

Funds might not be available until 4<sup>th</sup> quarter of 2013

The Board of the Global Fund has decided to extend the deadline for submission of Round 11 applications from 15 December 2011 to at least 1 March 2012.

The decision appears to be primarily motivated by a substantial reduction in the amount of funding that the Global Fund estimates will be available for Round 11.

The Fund also appears likely to take this opportunity to implement some of the changes to the applications process recommended by the High-Level Independent Review Panel on Fiduciary Controls and Oversight Mechanisms of the Global Fund to Fight AIDS, Tuberculosis and Malaria (hereinafter, "High-Level Panel," or "Panel").

The decision to extend the deadline was made by the Global Fund Board at a one-day meeting on 26 September 2011 in Geneva convened specifically to consider the recommendations of the High-Level Panel. The Panel's recommendations were made public on 19 September 2011; [GFO Issue 158](#) provided extensive coverage.

As [reported](#) in GFO Issue 155, the Global Fund Secretariat forecasted in May 2011 that \$1.5 billion would be available to fund the initial period of Round 11. This forecast was based on the assumption that all donors would honour their pledges, and that donors that traditionally do not make pledges would provide

funding at a level similar to what they had provided before.

However, given the current global economic insecurity, among other factors, these assumptions now appear to be overly optimistic. At the Global Fund Board meeting on 26 September 2011, the Fund revealed that its forecast of funding available for Round 11 has been lowered to “not more than” \$0.8 billion, and that even this amount might not be available until the fourth quarter of 2013.

Thus, the Global Fund faces two serious problems. First, the amount of money available for Round 11 \$0.8 billion is far less than what was spent in recent rounds of funding. (The Global Fund approved spending of \$1.7 billion, \$2.2 billion and \$3.06 billion to fund the first two years of grants in, respectively, Rounds 10, 9 and 8.)

Second, the funds may not be available until the fourth quarter of 2013. This means that the Global Fund might not be in a position to sign Round 11 grant agreements until that time.

It is not surprising, therefore, that the Global Fund extended the deadline for Round 11 grants to “at least” 1 March 2012. This means that the earliest that the Board could approve Round 11 grants would be at its meeting in about November 2012. Under current procedures, the Global Fund would then allow up to one year for grant negotiations and signing. (The extended deadline for Round 11 affects applications to the general and targeted pools of funding, Second Wave of National Strategy Applications and the Health Systems Funding Platform pilot.)

When the Board decided to extend the deadline, it said that the Board and the Secretariat will also “examine options” for modification of the application, renewal and approval processes in light of the funding constraints and the recommendations of the High-Level Panel. In addition, the Board said that it will “consider options for reallocation of existing commitments” in order “to prioritize high-impact interventions.” The Board said that it will communicate the results of those deliberations no later than 1 December 2011. (The next Board meeting is scheduled for 21-22 November 2011 in Accra, Ghana.)

These words were clearly not lightly considered. Nothing appears to be “off the table.” Even though Round 11 was launched six weeks ago, on August 15, the Board has left itself the freedom to change the Round 11 application process and eligibility criteria (which would constitute moving the goal posts after the game has started), and to change the rules regarding how future funding amounts for already-approved grants will be determined.

In the midst of this very uncertain situation, our best guess is that the Board will decide, by December 1, to modify Round 11 procedures so that they become a hybrid between existing procedures and future procedures. (As discussed elsewhere in this issue, the Board has just agreed with the High-Level Panel that the Fund should adopt a two-stage application process, in which the first stage would be a concept paper and the second stage would be a full proposal that would be iteratively improved until the Technical Review Panel [TRP] is ready to make a final recommendation to the Board.)

The least disruptive way to achieve this hybrid would probably be to leave the Round 11 application form unchanged (using it as a “heavy substitute” for the lighter process that will be used in subsequent rounds for the first stage), and then to segue into the above-mentioned second stage, in which the proposal is worked on until it is, in effect, collectively agreed by the CCM, the Secretariat, technical partners and the TRP. Much of this second stage would take the place of the grant negotiation procedures that currently occur between board approval and grant signature.

In light of all this, what should Round 11 applicants do while they wait for the Board to decide in late November what modifications will be made to Round 11 procedures? The best advice we can give is that applicants should continue to work on their proposals. Applicants have now been given an extra two-and-

a-half months or possibly more to prepare their applications. Given the complexities of the applications process, and the fact that many changes were introduced for Round 11 not the least of which is that consolidated proposals are now mandatory this additional time may come in very handy.

It might be prudent for applicants to concentrate on refining the main technical features of their applications, as opposed to filling out every part of the proposal form in case the Global Fund does after all decide to make some changes to the form. There will be plenty of time between 1 December 2011 and 1 March 2012 to fill out the proposal form.

Finally, some applicants may be wondering whether the change in the deadline date for applications will result in a change to the “history of recent funding” eligibility criterion. Under this criterion, if a Round 11 applicant has an existing Global Fund grant for a particular disease or HSS component which has been implemented for less than 12 months, that applicant will not be able to submit a proposal for the same disease or HSS component. The 12-month period was to be calculated from the implementation start date of the existing grant to the closing date for submission of the new proposal. This closing date was to be 15 December 2011, but has now been extended to (at least) 1 March 2012. Does this mean that some applicants who had been deemed ineligible under this criterion will now become eligible? We think the answer is probably “No.” While we have no “inside” information concerning this, we think it likely that the Global Fund will stick to the 15 December 2011 date as it pertains to this criterion.

Information for this article was taken from Decision Point GF/B24/DP4 of the [Decision Points](#) document for the 24<sup>th</sup> meeting of the Global Fund Board, held on 26 September 2011. GFO was not present at the meeting because observers were not invited.

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