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Changes in World Bank Income Classification Levels May Affect Applicants

Recent changes to the World Bank's classification of country per capita income levels could affect access to funding from the Global Fund to Fight AIDS, Tuberculosis and Malaria for certain countries. The World Bank updates its classifications annually. The latest [update](#) came on 1 July 2013.

In any given year, for purposes of determining eligibility, the Global Fund uses the World Bank list from the previous year. Thus, the classifications announced on 1 July 2013 will not be used by the Fund until 2014.

Six countries went from the upper-middle-income (UMI) category to the high-income category: Antigua and Barbuda, Chile, Latvia, Lithuania, Russian Federation and Uruguay. Of these, Antigua and Barbuda, Chile, Russian Federation and Uruguay have received money from the Global Fund.

Antigua and Barbuda has received funding in the context of a regional proposal, most recently in Round 9. Chile received only one grant; it is no longer active.

The Russian Federation has five active grants, two of which are in closure. Of the remaining three grants, one is a Round 3 HIV grant (PR: Open Health Institute) that emanated from a non-CCM proposal and that was recently extended through the Transitional Funding Mechanism (TFM). Another is a Round 3 TB grant (PR: Partners in Health) that emanated from a sub-CCM proposal and that is in RCC (rolling continuation channel) Phase 2. The third active grant is a Round 5 HIV grant that emanated from a non-CCM proposal (PR: Russian Harm Reduction Network ESVERO). This grant received funding under the TFM and is slated to receive more funding under the transition phase of the NFM (as an interim applicant).

Uruguay has two active HIV grants, funded in Round 10.

Under the Global Fund's current eligibility requirements, high-income countries are not eligible to submit proposals in their own right. (They can be part of a regional proposal, however.) With respect to the two Uruguay grants, it is not clear whether the country will still be eligible for funding when the time comes to submit its request for Phase 2.

The eligibility requirements will be revised later this year to bring them in line with the new funding model (NFM). However, no change is expected regarding the eligibility of high income countries (except, perhaps, as regards their participation in a regional proposal).

One country, Hungary, went down from the high-income category to the UMI category in the World Bank's classifications.

Six countries "graduated" from the lower-middle-income (LMI) category to the UMI category: Albania, Belize, Fiji, Iraq, Marshall Islands and Tonga. One country, Mauritania, graduated from the low-income category to the LMI category. One country, South Sudan, went down from the LMI category to the low-income category.

Income level is expected to be a key part of the formula for determining funding allocations to countries under the NFM. The precise details of the formula have yet to be worked out.

Under the current eligibility requirements, LMI and UMI countries face certain restrictions with respect to their eligibility and the focus of their proposals. We do not know yet whether these restrictions will be retained when the eligibility criteria are revised.

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