



Independent observer  
of the Global Fund

## GLOBAL FUND ISSUES CALL FOR APPLICATIONS UNDER THE TRANSITIONAL FUNDING MECHANISM

The TFM covers only essential services

Applicants are encouraged to re-programme existing grants where possible to help maintain essential services

The Global Fund has launched its Transitional Funding Mechanism (TFM) as a replacement for Round 11, which the Fund cancelled on 22 November 2011. Applicants have until 31 March 2012 to submit their proposals. All relevant documents can be found on the Global Fund website at [www.theglobalfund.org/en/application](http://www.theglobalfund.org/en/application).

The maximum proposal term is two years. Key dates are as follows:

- Submission deadline: 31 March 2012
- Proposal screening: April-May 2012
- Review by Technical Review Panel (TRP): Early June 2012
- Board endorsement of TRP recommendations: July 2012
- Grant negotiations and Board funding decisions: 2012-2013

Funding decisions will be made on a rolling basis (see below).

This article describes the eligibility criteria for proposals under the TFM and other features of the TFM. The article also summarises the process that the TRP will use to review proposals, discusses the issue of available funding and how the Board will approve proposals, and provides a list of TFM-related documents available on the Global Fund website.

## Eligibility

Applicants can apply for funding for essential prevention, treatment and/or care services that meet all of the following three conditions: (a) the services are currently supported by the Global Fund; (b) the services face disruption because Round 11 was cancelled and because one or more existing grants will end soon; and (c) there are no alternative sources of funding for these services. The disruption in services – e.g., the end of an existing grant – must fall between 1 January 2012 and 31 March 2014.

What constitutes “essential services”?

The Global Fund said that it cannot provide a definitive list of essential services. In its information note on the TFM, the Fund said,

“The applicant must demonstrate that the proposed interventions/services presented within a TFM request represent essential services for the national response to the relevant disease. What is permissible within an application will be specific to country epidemiological and funding context, and for this reason no definitive list is provided.”

However, the Global Fund has provided considerable guidance concerning what is likely to be considered “essential services” under TFM, and has also provided examples. The Global Fund said that the TFM is intended to support requests that continue – at the existing scale – core interventions that:

- protect the gains achieved (e.g., interventions whose interruption would mean a significant rebound in transmission); and
- save lives; and
- are high impact, evidence-based, targeted to most-appropriate populations and represent good value for money in a resource-constrained environment.

The Global Fund said that the TFM will usually not support interventions that scale up services beyond the levels of patients, geographic areas or populations that will be reached at the time when the disruption occurs. In other words, the TFM cannot be used to provide services to more people than are currently receiving these services.

Further, the TFM will not support the introduction of new interventions except in very limited circumstances. Specifically, the Fund said that countries may request funding for new interventions to be offered to an “epidemiologically important” population currently being served, provided:

- continuing services to this population are essential to avoid deaths or a substantial rebound in transmission;
- the proposed package is more cost-effective than the package previously funded by the Global Fund that it would replace; and
- there is no scale-up in terms of (a) the number of people receiving the service at any particular time; (b) geographic coverage; and (c) cost.

In an annex to the information note on TFMs, the Global Fund provided examples of services likely to be considered “essential”; and services unlikely to be considered “essential” (and, therefore, unlikely to be funded). These are shown in the table below.

Table: Examples of services likely to be considered essential and unlikely to be considered “essential”

Disease	Services likely to be considered “essential”	Services unlikely to be considered “essential”
HIV/AIDS	Antiretroviral therapy (ART); TB screening and treatment among PLWHA; PMTCT; prevention and treatment targeted at key populations with high levels of incidence; and male circumcision where indicated.	Scale-up of ART; untargeted population approach to HIV prevention; general population HIV concentrated epidemics; generalized nutritional support; blood safety; universal precaution exposure prophylaxis; infrastructure development; procurement of vehicles; and generalized untargeted trainings.
TB	High impact interventions that ensure early case detection; diagnosis and treatment of patients with drug-susceptible or multidrug-resistant TB, including interventions targeted at vulnerable populations; HIV testing and treatment among TB patients; TB preventive therapy among PLWHA; TB screening among high risk populations; interventions to strengthen systems to ensure access for communities and people affected by TB; TB infection control related to TB transmission in health facilities.	Scale-up of DOTS, scale up of drug-susceptible multidrug-resistant TB services; food support for patients; Practical Approach to Lung health; infrastructure development; procurement of vehicles; and generalized or untargeted trainings.
Malaria	Vector control activities; case management composed of a combination of diagnostics and appropriate treatment; and intermittent preventive treatment in pregnant women in high burden settings.	Scale-up of vector control and case management; large investments in improving routine information systems; elimination programs; intermittent preventive therapy for infants and children; infrastructure development; procurement of vehicles; and generalized or untargeted trainings.

The Global Fund said that it will support continuation of early diagnosis and detection where it is deemed an essential component of disease programmes. However, because early diagnosis could result in a considerable increase in the number of people requiring treatment, the Global Fund said that countries wanting to maintain such services must demonstrate how sources of funding other than the Global Fund will cover the costs of placing additional people on treatment, in particular for those requiring life-long treatment.

The Global Fund said that what it calls “critical enablers” (e.g., stigma reduction, gender equality and community mobilisation) and initiatives related to the “wider development sectors” (e.g., health systems, social protection, gender-based violence) will only be considered where they are deemed by the Global Fund as being critical for the continuation of delivery of essential treatment, prevention and care services.

#### Other sources of funding

In their proposals, applicants are required to demonstrate that there are no alternative sources of funding available to fund proposed activities. The Global Fund said that applicants are expected to have explored the possibility of using national government budgets or other domestic sources; funding from other

donors; and funds from other Global Fund grants for the same disease which could be re-programmed.

The Global Fund is placing considerable emphasis on the use of re-programming to reduce disruption of essential services. Applicants will be able to use the TFM proposal form to show how existing funding will be re-programmed. In addition, applicants that have existing funding from the Global Fund during the period covered by the TFM application, but that are not proposing any re-programming, will be required to explain why.

#### Other eligibility criteria

The Global Fund's Eligibility, Counterpart Financing and Prioritization (ECFP) Policy, adopted in May 2011, applies to the TFM, with some minor modifications. See the information note on the TFM for more information (at [www.theglobalfund.org/en/application](http://www.theglobalfund.org/en/application)).

The ECFP Policy includes the "recent history of funding" criterion. Under this criterion, applicants that have received a grant for a given disease which has been implemented for less than 12 months cannot submit a proposal for the same disease. The 12-month period is calculated from the implementation start date of the existing grant to the closing date for submission of proposals. For the purposes of this call for proposals, applicants that have received a grant from the Global Fund for a particular disease for which the start date is 2 April 2011 or later, cannot submit a proposal for the same disease. (If two or more grants emanated from the same proposal, eligibility is determined based on the earlier/earliest start date.)

The G-20 rule, adopted recently for grant renewals, also applies to the TFM. Under this rule, upper middle income countries (UMICs) that belong to the G-20 group of countries and that have a disease burden that is less than extreme (as defined by the Global Fund) are not eligible. In practice, this means that CCMs from Argentina, Brazil, China, Mexico and Russian Federation are not eligible to apply under the TFM. South Africa, another UMIC in the G-20, would normally be eligible to apply for HIV or TB because of its extreme disease burdens. However, because of another criterion (history of recent funding), South Africa is not eligible to apply under the TFM for HIV.

The Global Fund has prepared a revised eligibility list for 2012. This list shows which countries the Secretariat believes are eligible to apply under the TFM (and for which diseases). The list comes with a warning which explains that in the event of any discrepancies between the information in the list and the decisions of the Board concerning eligibility, the Board decisions shall prevail. The list is available at [www.theglobalfund.org/en/application](http://www.theglobalfund.org/en/application).

Applications from coordinating mechanisms (CCMs, Sub-CCMs and RCMs) have to meet the six minimum requirements for CCM eligibility.

#### Other features of the TFM

##### Consolidated proposals

Applicants are required to submit a consolidated proposal for any disease components where the applicants have existing same-disease grants that are scheduled to continue during the period covered by the TFM request. A consolidated proposal is one that includes activities and costs for both existing initiatives and the initiatives for which new funding is being sought. The Global Fund's TFM Guidelines contain more information on consolidated proposals.

##### Two pools of funding

As prescribed in the ECFP Policy, and as planned for Round 11, there will be two pools of funding: a general pool and a targeted pool. Ninety percent of the resources available for the TFM will be allocated to

the general pool, and 10% to the targeted pool.

The general pool is identical to the “general” streams of funding that existed in previous rounds. The targeted pool is modelled after the HIV most-at-risk populations (MARPs) reserve that existed in Round 10. One major difference, however, is that the targeted stream in the TFM is open to applications for all three diseases, not just HIV.

For each disease component of a proposal, applicants may apply under one pool or the other (if they are eligible), but not both. Proposals under the targeted stream are subject to a ceiling of \$5 million per disease component.

### Continuity of Services policy

Applicants that qualify under both the TFM and the Global Fund’s Continuity of Services (CoS) policy, which is far more limited in scope than the TFM, should apply under the TFM only – i.e., they should not apply twice. Note, however, that certain countries that are not eligible to submit a proposal under the TFM may be eligible for funding under the CoS policy. Countries that believe they may be in this position should consult their fund portfolio manager. Note that the CoS policy covers HIV and TB only (not malaria).

The TFM application form asks applicants to identify (and cost separately) any proposed interventions that fall within the CoS policy. The Global Fund asks for this information in case there is insufficient funding to pay for all TFM recommended proposals and a prioritisation process needs to be implemented. (See next section.)

### Prioritisation

The Global Fund said that if demand for TFM proposals recommended by the TRP exceeds available resources, then the Board will provide precise guidance on how to prioritise funding. The Fund said that, generally speaking, priority would be given to interventions that qualify under the Fund’s CoS policy, and that the prioritisation scheme will take into account the combined disease burden and country income level scores of applicants, as defined in the ECFP Policy; the prioritisation of proposals within the targeted pool by the TRP; and the objective of avoiding disruption of essential services.

### Start date

The Global Fund said that the proposed start date for a grant emanating from an approved TFM proposal should be the anticipated date of programme disruption or shortly before.

### TRP review process

Following screening for eligibility and completeness, each application will be reviewed by the TRP to:

- assess the technical merit of the proposal;
- determine whether the applicant has demonstrated a risk of disruption of essential services; and
- assess the applicant’s claim that the funding being sought cannot be funded by alternate sources of funding.

The TRP could decide that it wants more information, in which case clarifications will be obtained from the applicant or other sources.

The Global Fund said that given the purpose of the TFM – i.e., to avoid disruptions of essential services – “the normal TRP review outcomes may be varied.” The Fund explains this as follows:

“Recommendation categories will be used to reflect the level of clarification and/or modification of proposals that is required. TFM applications may be recommended in full or in part. If the TRP finds that technical and scope criteria applicable to TFM are not met, the proposal may not be recommended.”

Aidspan believes that, when translated into plain English, this means that:

- The TRP will probably not use the same categorisation scheme to rate proposals that it has used in the past.
- Instead, the categorisation scheme may be based on one or more of the following: the extent of clarifications required, the urgency of the need, and the proposal modifications required to limit funding to essential services only.
- The TRP may recommend that a proposal be fully funded; or it may recommend that a proposal be funded only in part. The TRP may also recommend that a proposal be rejected, but this is not likely to occur very frequently given the purpose of the TFM.

#### Available funding and Board approval

The Global Fund has not announced any estimates concerning how much money will be available to fund applications. The Fund has only said that funding under the TFM “will be dependent on the resources available at the time the Board will approve TRP recommended TFM applications.” The Fund added,

“Available resources depend on several factors over which the Global Fund has no direct control, in particular the receipt of funding anticipated from donors. The timing of receipt of donor funding will also influence the ability of the Global Fund to commit resources in a timely manner to minimize the disruption of essential services. At this time, the Global Fund cannot guarantee the amount of resources or the timing commitments.”

The Global Fund said that it will approve applications on a rolling basis and will stagger the timing of commitments – and, if necessary, vary the duration of commitments – in an attempt to minimise any disruption of services.

#### Documents available on the Global Fund website

The following documents are available at [www.theglobalfund.org/en/application](http://www.theglobalfund.org/en/application):

- Proposal forms
- Guidelines document
- Information note on the TFM
- Other information notes
- Revised eligibility list for 2012
- FAQs
- A glossary of terms related to the TFM
- Attachments

(You will need to follow the links for some of these documents.)

The proposal forms are called “request forms” on the website. There is a separate form for Sections 1 and 2 of the proposal form, which comes in two versions, one for single-country applicants and one for multi-country applicants. There is a separate form for Sections 3-8 of the proposal form, which comes in three

versions, one for each disease. For Sections 3-8, single- and multi-country applicants should use the same forms.

The Global Fund said countries participating in the second wave of national strategy applications are eligible for the TFM (providing they meet all eligibility criteria) and that separate proposal forms will be developed for these countries.

The guidelines document is referred to as “Guidelines for Funding Requests” on the website; and as “Transitional Funding Mechanism (TFM) Guidelines” in the document itself.

The other information notes are the same notes that were prepared for Round 11. Some examples are “Collaborative TB/HIV Activities,” “Dual-Track Financing,” and “Harm Reduction for People Who Use Drugs.” The Global Fund says that these information notes “should be read in the context of the limited scope of the TFM.”

The attachments include items such as the performance framework and the budget and work plan. Applicants should read the information on the website concerning the attachments. When we went to press, some of the attachments were not yet posted.

The website also has a section containing applicant disease profiles and a section containing country reports. The profiles were created by the Global Fund for all countries with existing grants. The country reports were prepared by partner organisations. The profiles and the country reports are the same ones that were prepared for Round 11.

#### Other related information

The Global Fund said that a limited bridge funding facility will be designed for TFM applicants whose programmes face disruption before funds become available under the TFM; and that it will be releasing more information on this facility “in due course.”

The information note on the TFM mentions that the Global Fund Board asked the Secretariat to work with countries and partners to develop “full expressions of demand” for programmes for the three diseases and related health systems and community systems strengthening. The Global Fund said that countries and partners should begin using national disease strategic plans, draft Round 11 applications and other documents to develop these expressions of demand. The Secretariat and partners will provide further guidance in early 2012. The purpose of these expressions of demand is to impress on donor countries the extent of the demand that is not being met with current and projected resources.

#### Enquiries

Questions about the TFM call for proposals should be directed to [proposals@theglobalfund.org](mailto:proposals@theglobalfund.org).

Special note to our readers: Aidsplan plans to provide guidance concerning the TFM proposal forms and related documents. We are not certain yet what form this guidance will take. The guidance will not be available before the second week of January.

Information for this article was obtained from the Global Fund website and from direct communications with Secretariat staff.

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