



Independent observer
of the Global Fund

An Estimated \$1.9 Billion Will Be Available for the Transition Period

The Global Fund forecasts that \$1.9 billion will be available in 2013–2014 for the transition period of the new funding model (NFM). The transition period will run from March 2013 to September 2014. The NFM was formally launched on Thursday, 28 February. The announcement was made in a news release issued by the Global Fund.

The Global Fund has identified 57 early and interim applicants which will be allowed to submit applications for funding during the transition period (for details, see the sections on early and interim applicants below).

The \$1.9 billion forecast is subject to revision as more information becomes available in future.

In addition to the \$1.9 billion for 2013–2014, the Global Fund estimates that \$346 million will be required in 2015–2016 for early applicants; however, the availability of these funds will depend on the outcomes of the 2014–2016 replenishment conference. The reason the Global Fund is identifying transition funding requirements for 2015 and 2016 is that early applicants may submit for funding for a three-year period.

“Our new funding model means more effective investments, with greater impact,” said Mark Dybul, Executive Director of the Global Fund. “It will definitely help us leverage investment in a way that allows our partners to reach more people facing these diseases.”

Some applicants are being invited to submit for more than one disease. Thus, applications may be received for a total of 70 disease components.

Both early and interim applicants will be able to apply for funding again when the NFM is fully rolled out for the 2014–2016 period. Any money these applicants receive in 2013 will not affect their entitlement for 2014–2016; however, any funds they receive in 2014 will be deducted from their entitlement for

2014–2016.

Early and interim applicants were selected based on whether disease programmes are “under-allocated” in 2013–2014 (i.e. are currently receiving less than they would under the NFM’s allocation principles), or are at risk of essential service interruptions from 2013 up to the end of September 2014, or are positioned to achieve rapid impact.

For the transition, the Global Fund is allocating available funding to applicants based on the degree to which countries are under-allocated compared to amount of funds they should have received according to their disease burden; and based on “ability to pay,” as measured by a country’s gross national income per capita. In addition, the Global Fund will consider a series of qualitative factors, including major sources of external financing from other donor, performance, absorptive capacity, “willingness to pay,” risk mitigation, and increased infection incidence in low prevalence countries.

Applicants participating in the transition because of the risk of service interruptions will receive an indicative funding allocation to finance the continuation of essential prevention, treatment or care services at the same scope and scale as at the time of service interruption, until at least the end of September 2014.

The information made public by the Global Fund at the time of the launch did not provide an estimate of how funding during the transition period will be split among the three diseases.

See the [GFO article](#) elsewhere in this issue on information for early applicants for a list of the resources provided by the Global Fund. While most of these resources are for early applicants, some of them will be of interest to interim applicants as well.)

Early applicants

Six countries and three regional initiatives have been invited to participate as early applicants. The six countries – Congo (DR), El Salvador, Kazakhstan, Myanmar, Philippines and Zimbabwe – will collectively be able to submit eight components, four for HIV, three for TB and one for malaria, according to information provided to Global Fund Board members. The six countries will collectively be able to access \$248 million in indicative funding in 2013–2014 and will be eligible to compete for an additional \$29 million in incentive funding over that same period.

The three regional initiatives were not named in the information made public by the Global Fund at the time of the launch. However Board members were informed that the initiatives, and the components for which they can apply, are as follows: the Regional Artemisinin Resistance Initiative (malaria); the Eurasian Harm Reduction Network (HIV); and the Regional Malaria Elimination Initiative in Mesoamerica and Hispaniola (malaria).

The regional initiatives will collectively be able to access indicative funding of \$116 million for 2013–2014. Regional initiatives are not eligible for incentive funding.

Early applicants will go through most of the NFM process, including the concept note. The process for new applicants is designed to culminate in a new grant.

The Global Fund said that early applicants are encouraged to make an ambitious request based on their full expression of demand, and that they will receive strong support to assist them in developing their request. Any unfunded “quality demand” will be placed in a queue for possible future funding. (“Quality demand” means programmes that the Secretariat and the TRP judge to be sound.)

The Global Fund said that decisions concerning incentive funding will be based on the recommendation of

the TRP and other considerations, including to what extent the additional resources will (1) allow the country to accelerate and reach the Millennium Development Goals; (2) leverage the mobilisation of additional resources; (3) reward good performance and progress towards impact; and (4) constitute investment in Global Fund's strategic priority areas.

Interim applicants

Forty-seven countries and one regional initiative have been invited to participate as interim applicants. They will cover 59 components, 23 for HIV, 20 for TB and 16 for malaria. The interim applicants will collectively be able to access \$1,507 million in indicative funding in 2013–2014. Interim applicants are not eligible to apply for incentive funding. See Table 1 for the list of interim applicants and components, and the amounts of available indicative funding.

Interim applicants may experience some elements of the NFM. The process for interim applicants involves topping up existing grants through Phase 2 renewal, reprogramming or extensions.

Table 1: List of interim applicants, showing components and available funding

| Applicant | Amounts of available indicative funding | | | |
|-----------------------------|---|-----------|----------------|--------------|
| | HIV amount | TB amount | Malaria amount | Total amount |
| Countries | | | | |
| Albania | 0.1 | | | |
| Bangladesh | | 4.0 | | |
| Belarus | | 1.0 | | |
| Benin | | 2.0 | | |
| Burundi | | | 2.0 | |
| Cambodia | | 3.0 | | |
| Cameroon | 81.0 | | | |
| Chad | | | 5.0 | |
| Congo (Democratic Republic) | | | 85.0 | |
| Cote d'Ivoire | | | 69.0 | |
| Dominican Republic | | 3.0 | | |
| Egypt | | 3.0 | | |
| Ethiopia | | 9.0 | | |
| Ghana | 15.0 | | | |
| India | 19.0 | | | |
| Indonesia | | 1.4 | 21.2 | |
| Jamaica | 3.0 | | | |
| Kenya | 53.0 | 13.0 | | |
| Kosovo | 0.3 | | | |
| Lesotho | 25.0 | | | |
| Malawi | 115.0 | | 5.0 | |
| Moldova | 8.0 | | | |
| Mongolia | 0.3 | | | |
| Mozambique | 138.0 | 27.0 | 13.0 | |
| Nepal | 2.0 | | | |
| Nicaragua | | 3.0 | | |
| Niger | 1.0 | | 19.0 | |
| Nigeria | 122.0 | | 167.0 | |

| | | | |
|---|-------|-------|-------|
| Pakistan | | 8.0 | |
| Papua New Guinea | | 13.0 | |
| Philippines | 4.0 | | |
| Russian Federation | 5.0 | | |
| Rwanda | | | 6.0 |
| Solomon Islands | | 1.0 | |
| South Africa | 37.0 | 55.0 | |
| Sri Lanka | | 3.0 | |
| Sudan | | | 7.0 |
| Suriname | | | 0.3 |
| Swaziland | | | 0.3 |
| Tanzania | 51.0 | 12.0 | 114.0 |
| Thailand | 3.0 | | |
| Togo | 12.0 | | |
| Uganda | 120.0 | | |
| Viet Nam | | 7.0 | |
| Yemen | | | 4.0 |
| Zambia | | 3.0 | 2.0 |
| Zimbabwe | | 5.0 | |
| Total Countries (rounded) | 809.0 | 174.0 | 519.0 |
| Multicountry Western Pacific (Regional) | 5.0 | | |
| TOTAL (rounded) | 814.0 | 174.0 | 519.0 |

Editor's Note: There are discrepancies in the above table in the totals for each disease, and in some of the totals for individual applicants. Some of these discrepancies may be due to rounding. Applicants should consult the Global Fund Secretariat to confirm the amount of funding allocated to them.

Three countries – Congo (DR), Philippines and Zimbabwe – are on both the early applicants list and interim applicants list.

With respect to India, Board members were told that the funding will cover activities managed by a civil society organisation for a Round 7 grant that will come to an end on 31 August 2013.

With respect to the Russian Federation, Board members were told that the funding will cover programmes run by NGOs to avoid disruption of key services to most-at-risk populations under the NGO Rule in the Policy on Eligibility Criteria, Counterpart Financing Requirements and Prioritization.

The amounts shown in the above table do not represent final funding allocations; the amounts will likely shift as applications are reviewed by the Global Fund Secretariat.

Standard applicants

“Standard applicants” refers to all applicants that are not on the lists of early and interim applicants. Technically, standard applicants do not participate in the transition. However, the Global Fund says that there are steps that standard applicants can take now to get ready for the full rollout of the NFM. These include strengthening their national strategies, strengthening PR capacity and CCM capacity, and starting or reinforcing the country dialogue process.

The full roll-out of the NFM will begin in late 2013 or early 2014.

Summary funding table

See Table 2 for a summary of the funding allocation for the transition period. The information in this table was provided by the Global Fund in the NFM materials it released on 28 February.

Table 2: Summary of funding allocation for the transition period (\$ million)

| Applicants | Type of funding | Amounts for 2013-2014 | Additional amounts for 2015-2016 * |
|--------------------------------------|-----------------|-----------------------|------------------------------------|
| Early applicant countries | Indicative | 248 | 288 |
| | Incentive | 29 | 58 |
| Early applicant regional initiatives | Indicative | 116 | n/a |
| Interim applicants | Indicative | 1,507 | n/a |
| TOTAL | | 1,900 | 346 |

* Subject to the funding becoming available as a result of the 2014–2016 replenishment.

The Global Fund is asking early and interim applicants to provide feedback on their experiences during the transition. Applicants can send feedback to NewFundingModel@theglobalfund.org. A future GFO article will describe other elements of the transition monitoring process.

NFM-related materials produced by the Global Fund are available on the Fund's website [here](#).

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