Revised Eligibility Policy Retains the Main Elements of the Old Policy

The Global Fund has adopted a revised Eligibility and Counterpart Financing Policy to replace the old Eligibility, Counterpart Financing and Prioritization Policy. Aside from the fact that the prioritisation section of the policy was dropped – it is no longer relevant in the context of the new funding model (NFM) – the revisions were not particularly extensive.

The revised policy was recommended by the Strategy, Investment and Impact Committee (SIIC).

There were no changes to the main eligibility requirements. High-income countries still cannot apply for funding directly. Lower-middle-income (LMI) and upper-middle-income (UMI) countries still have to meet the same focus of proposal and disease burden requirements. CCM applicants still have to meet certain requirements. There are still limits on the amounts of funding some UMI countries can receive. And the counterpart financing requirements remain the same.

This article provides information on what has changed under the revised policy.

Changes in eligibility status

Newly ineligible

Under the revised policy, eligibility will continue to be determined on an annual basis even though allocation periods last for three years.

Countries that suddenly become ineligible for a given component, because of changes in income level or disease burden, and that are implementing a grant for that component, will remain eligible to receive funding for that component for up to one allocation period immediately following the change in eligibility.

This transition measure is designed to ease the burden on, for example, a country that moves from the LMI classification to UMI and does not have the high, severe or extreme disease burden necessary to maintain eligibility for that disease.

There are limitations to the transition measure. The Global Fund Secretariat will determine the appropriate amount and period of funding based on the country context and other considerations, such as whether there is sufficient time left in the existing grant (e.g. more than 12 months after becoming ineligible) to allow for a clear transition to other sources of funding. The Secretariat may decide to limit the scope of the funding (e.g. fund only activities deemed essential). The Secretariat may require that that the country develop appropriate and measureable time-bound actions for transition to national or other non–Global Fund resources.

Under the revised policy, countries that have become newly ineligible in the middle of an allocation period, and that have not yet touched their funding, will still be able to access the funding. However, the Global Fund said, the Secretariat would discuss with the country what is considered an appropriate level of funding and would establish clear time-bound actions for an eventual and sustainable transition to other sources of funding.

There was considerable discussion before and at the Board meeting about the transition provisions. In a joint statement released just prior to the Board meeting, 67 civil society organisations from 24 countries argued that the transition provisions should be more generous in recognition of the challenges faced by, in particular, middle-income countries with high disease burdens. At the Board meeting itself, there were several side meetings in an attempt to work out a compromise. In the end, the Board decided that the SIIC would initiate a process that will produce, by the end of 2014, options and recommendations for refining the Global Fund's approach to transitioning countries. The Board further decided that this approach will include consideration of public health indicators to measure progress in sustaining and enhancing gains against the three diseases.

Newly eligible

The revised policy states that if a country appears on the annual eligibility list after not having been on the list previously, the country will not be considered to be "newly eligible" until it has maintained its eligibility for two consecutive years.

If there is a need to allocate money to a newly eligible country in the middle of an allocation period, the money must come from the existing allocation for the relevant band.

The NGO rule

Under the revised policy, the "NGO rule" for HIV is maintained. The transition measure described above for components that become newly ineligible also applies to countries funded for HIV under the NGO rule.

The NGO rule was introduced in May 2011, the last time the eligibility policies were modified. Before that, unless UMI countries were on the OECD-DAC List of ODA Recipients, they were ineligible for funding for HIV. (OECD = Organisation for Economic Cooperation and Development; DAC = Development Assistance Committee; ODA = official development assistance.) Under the NGO rule, such countriescould still apply providing the application came from an NGO (and providing the countries met all othereligibility requirements, including disease burden).

Since the NGO rule was adopted, two NGO applications from the Russian Federation benefited from the rule (both under the Transitional Funding Mechanism). According to the Global Fund, based on the 2013 eligibility list, five UMI countries – Bulgaria, Latvia, Lithuania, Romania and the Russian Federation – were technically eligible to apply under the NGO rule in 2013.

In 2013, the Russian Federation was reclassified as high income by the World Bank. Therefore, under the old eligibility policy, the Russian Federation would not be eligible to apply for funding for any disease in 2014. However, based on the NGO rule and the transition measure in the revised policy, the Russian Federation will remain eligible to apply for HIV in 2014.

Latvia and Lithuania were also reclassified as high income by the World Bank in 2013. Both countries will not be eligible to apply for funding for any disease, including HIV, in 2014 because they do not currently receive funding for HIV.

Under the revised policy, and using the NGO rule, Bulgaria and Romania will continue to be eligible to apply for HIV if they continue to demonstrate a high, severe or extreme HIV burden. However, the Global Fund said, Bulgaria and Romania will only be able to access funding for HIV if they can demonstrate that there are political barriers to providing key services (one of the criteria under the NGO rule).

Regional proposals

The revised policy retains the provision that for a regional applicant to be eligible for funding, the majority of countries included in the application must be eligible to submit a request for funding for the same disease as a single-country applicant. However, the revised policy states that high-income countries cannot receive funding directly from the Global Fund except in limited circumstances as determined by the Secretariat. Under the old policy, high-income countries that were part of a regional proposal could be funded directly from a regional grant.

The revised policy also states that UMI countries that are not eligible to apply as a single-country applicant and that are part of a regional proposal also cannot receive direct funding from the Global Fund except in limited circumstances as determined by the Secretariat.

Other changes

The revised policy incorporates decisions of the Global Fund Board that affect eligibility and that were made subsequent to May 2011 when the old policy was adopted. One example of this is the decision to remove the one-year grace period for changes in a country’s income classification. Another example was the decision to apply some parts of the eligibility policy to grant renewals.

The revised policy includes a number of housekeeping changes to reflect the fact that the NFM works differently than the rounds-based funding. For example, references to the general and targeted funding pools have been removed because they are no longer relevant under the NFM.

Under the revised policy, decisions on compliance with the counterpart financing requirements will be made by the Secretariat, instead of the Technical Review Panel (as at present). There were no other changes made to the counterpart financing requirements.

The revised policy states that countries that are certified as malaria-free by the World Health Organization (WHO), or that are on a WHO list of countries where malaria never existed or had disappeared, will not be eligible for funding for malaria from the Global Fund. None of these countries has ever applied for malaria funding. But the policy had to be amended because otherwise, under the NFM allocation methodology, these countries would have been entitled to some money for malaria.

Under the revised policy, with respect to small islands or other small countries with total populations of less than one million, the Secretariat may require applications from a common geographical, economic grouping with similar epidemiology in order to facilitate more effective programme management.

Information for this article was taken from Board Decision 5 and Board Document GF-B30-06, "New Funding Model: Eligibility, Counterpart Financing and Prioritization Policy Revision." Document GF-B30-06 contains the full text of the revised Eligibility and Counterpart Financing Policy. The document containing the decisions from the 30th Board meeting is available at www.theglobalfund.org/en/board/meetings/thirtieth. Document GF-B30-06 should be available shortly on that same site.

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