



Independent observer
of the Global Fund

First Concept Notes Are Approved

The Global Fund Board has approved funding for five concept notes submitted by three early applicants in the transition phase of the new funding model (NFM). The three countries involved are Myanmar, El Salvador and Zimbabwe. Total approved funding was up to \$449.8 million. The Board approved the funding by electronic vote. The decision was made public on 15 June. These constitute the first funding approvals for early applicants.

The Board also approved funding for interim applicants from three countries; see the third article in this newsletter.

The following table provides details on the amounts of funding that were approved.

Table: Funding approved for three early applicant countries

| Country | Disease | Approved funding ceilings (\$ million) | | |
|-------------|---------|--|-------------------|---|
| | | Indicative funding | Incentive funding | T |
| Myanmar | HIV | 39.5 | 30.0 | |
| | TB | 26.3 | 14.0 | |
| | Malaria | 26.0 | 12.0 | |
| El Salvador | HIV | 20.2 | 2.9 | |
| Zimbabwe | HIV | 278.9 | NIL | |
| Total | | 390.9 | 58.9 | |

As indicated in the above table, the amounts approved are ceilings. The final amounts determined during grant negotiations could be less.

In all cases, the ceilings approved by the Board are different from the amounts announced for these countries when the NFM was launched on 28 February. For Myanmar, the amounts of indicative funding approved for the HIV, TB and malaria components were, respectively, \$39.5 million, \$26.3 million and \$26.0 million. The amounts originally announced were, respectively, \$32.0 million, \$24.0 million and \$21.0 million.

For El Salvador (HIV), the indicative funding ceiling approved was \$20.2 million; the amount originally announced was \$17.0 million. For Zimbabwe (HIV), the indicative funding ceiling approved was \$279.0 million; the amount original announced was \$245.0 million.

When the original amounts of indicative funding for early and interim applicants were announced, the Global Fund said that the final approved amounts will differ. For early applicants, the amounts of funding have been adjusted during the country dialogues. Another factor that could cause the final amounts to differ is that the overall amount of funds available for the transition can be adjusted over time; the Finance and Operational Performance Committee reviews this amount on a quarterly basis.

With respect to incentive funding, when the NFM was launched, the Global Fund estimated that \$87 million would be available for all early applicants combined. For Myanmar, El Salvador and Zimbabwe combined, the Board has awarded up to \$58.7 million. In theory, this leaves \$28.3 million for the remaining three early CCM applicants – Democratic Republic of Congo (HIV), Kazakhstan (TB) and Philippines (TB). However, the total amount of incentive funding available may be revised over time.

The concept notes were reviewed by the Technical Review Panel (TRP). In all cases, the TRP found the notes to be technically sound. It rated each note as Category 2. In the rating system that the TRP is using for the transition phase, a Category 2 rating means: “The concept note is technically sound, with issues to be clarified by the TRP, with or without issues to be clarified by the Secretariat, and is recommended to proceed to grant-making.” (The next article in this issue summarises the report of the TRP on early applicants.)

The concept notes were also reviewed by the Grant Approvals Committee (GAC). For Myanmar and El Salvador, the notes were reviewed in conjunction with requests for renewal of funding for existing grants.

The GAC provided narrative comments on the concept notes. See separate articles in this issue on the comments of the GAC for Myanmar, El Salvador and Zimbabwe.

Information for this article was taken from Board Decision B28-EDP-24 and from Board Document GF-B28-ER18, the Report of the Secretariat Funding Recommendations for June 2013. The latter document is not available on the Global Fund website. The text of the Board decision will be included in an electronic decisions document to be released after the Board meeting in Sri Lanka (18–19 June).

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