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TFM FUNDING DECISIONS ANNOUNCED

The Global Fund Board has approved 45 proposals submitted under the Transitional Funding Mechanism (TFM) with a two-year upper ceiling worth \$419.8 million. The Board has conditionally approved a further 11 proposals for a two-year upper ceiling worth \$91.2 million. The total two-year upper ceiling of approved and conditionally approved proposals is \$511 million. (The term “upper ceiling” means that although the Board has approved funding for up to the amount specified for each proposal, the final budget agreed to during negotiations for the grant could be lower than the approved amount.)

Sponsors of the conditionally approved proposals will need to re-submit their proposals based on feedback from the Technical Review Panel (TRP). The Board decided not to approve funding for a further five proposals; the total two-year budgets for the rejected proposals was \$93.6 million.

For some of the proposals it recommended be approved for funding, the TRP removed a small number of elements whose total cost was \$2 million.

There were 61 proposals submitted from 48 applicants with a total two-year funding request of \$606.6 million. The Global Fund Secretariat assessed all proposals to ensure they met the minimum requirements for country coordinating mechanisms (CCMs) and non-CCM proposals. All 61 proposals were deemed to have met the requirements.

(This is the first time in many rounds that no proposals have been screened out. Because of the limited scope of the TFM, the Secretariat did not conduct as rigorous a review as it had done for past rounds of funding. For example, the Secretariat did not establish a Screening Review Panel. When its assessment raised some questions about eligibility, the Secretariat discussed remedial action with the applicants. A future issue of GFO Newsletter will carry an article about the TFM screening process.)

The Board’s decisions were based on recommendations from the TRP. As it has done for past rounds, the TRP categorised each proposal. However, because of the unique characteristics of the TFM, the TRP made some adjustments to the recommendation categories that had been used previously. In past rounds, there were four categories. For the TFM, the TRP used five categories, defined as follows:

- Category 1: Recommended for funding, with no issues for clarification.
- Category 2: Recommended for funding with issues for clarification or conditions that need to be cleared by the Secretariat only.
- Category 3: Recommended for funding with issues for clarification or conditions that need to be cleared by the Secretariat and the TRP.
- Category 4: Revised proposal, for which a second TRP review and approval will be required prior to funding.
- Category 5: Not recommended for funding.

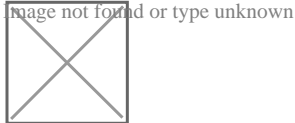
Of the 45 proposals approved by the Board, one was rated Category 1 by the TRP, seven were rated Category 2 and the remaining 37 were rated Category 3. All 11 proposals that the Board conditionally approved were rated Category 4.

For proposals rated Category 3, the clarifications process will result in changes to the original proposal. These changes will be reviewed by the TRP members who acted as primary and secondary reviewers of the original proposal. Applicants must send their initial response to the clarifications within four weeks; the clarifications process must be completed within eight weeks.

For proposals rated Category 4, applicants will need to submit a revised proposal, guided by the comments on the TRP review form. The revised proposal will be reviewed by a sub-set of the TRP.

The TRP said that the five proposals rated Category 5 did not meet the TFM requirements. Either the activities in the proposal did not constitute the continuation of essential services, or there was (or would be) no disruption of services within the period 1 January 2012 to 31 March 2014.

The figure below shows the TRP funding recommendations by category and as a percentage of the total funding request. The figure is taken from the report on the TRP’s funding recommendations that was sent to the Board.



In the above figure, “upfront removal” refers to the amounts removed by the TRP from some proposals before it recommended them for funding.

Of the 56 proposals approved or conditionally approved, 44 were in the general pool and 12 were in the targeted pool for most-at-risk populations (MARPs). See Table 1 for more details.

Table 1: Approved and conditionally approved proposals, by funding pool

| Pool | Approved (Categories 1-3) | | Conditionally approved (Category 4) | | Total | |
|------|------------------------------|----------------------------|--|----------------------------|---------------------|----------|
| | Number of proposals | Two-year upper ceiling (%) | Number of proposals | Two-year upper ceiling (%) | Number of proposals | T upp |
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|----------|----|----------------------|----|---------------------|----|
| General | 35 | \$382.7 m. (91%) | 9 | \$85.7 m. (94%) | 44 |
| Targeted | 10 | \$37.0 m. (9%) | 2 | \$5.5 m. (7%) | 12 |
| Total | 45 | \$419.7 m. (100%) | 11 | \$91.2 m. (100%) | 56 |

Under the Global Fund's rules, the resources allocated to the Targeted Funding Pool cannot exceed 10% of the total resources available for a given funding window.

Of the number of proposals approved or conditionally approved, 79% were submitted under the general pool and 21% under the targeted pool.

The greatest share of the two-year upper ceiling amounts for proposals approved or conditionally approved went to malaria (\$202.4 million). See Table 2 for more details.

Table 2: Approved and conditionally approved proposals, by disease

| Disease | Approved (Categories 1–3) | | Conditionally approved (Category 4) | | Total | |
|---------|------------------------------|----------------------------|--|----------------------------|---------------------|----------------------------|
| | Number of proposals | Two-year upper ceiling (%) | Number of proposals | Two-year upper ceiling (%) | Number of proposals | Two-year upper ceiling (%) |
| HIV | 16 | \$111.7 m. (27%) | 8 | \$67.6 m. (74%) | 24 | |
| TB | 18 | \$103.8 m. (24%) | 3 | \$23.6 m. (26%) | 21 | |
| Malaria | 11 | \$204.2 m. (49%) | 0 | \$0.0 m. (0%) | 11 | |
| Total | 46 | \$419.8 m. (100%) | 11 | \$91.2 m. (100%) | 56 | |

Of the \$511 million in funding ceilings approved or conditionally approved, \$277.6 million (54%) was for proposals from low-income countries. Lower-middle-income countries received \$177.6 million (35%), while upper-middle-income countries received \$37.4 million (7%). An additional \$18.2 million (4%) was for regional proposals containing a mix of country income levels.

Of the 56 proposals approved or conditionally approved, 49 were from CCMs, three were from regional coordinating mechanisms and three were from Non-CCMs. Of the three Non-CCMs, one was for the West Bank and Gaza and two were for the Russian Federation (see recent [GFO commentary](#) on Russian Federation proposals and grants).

Of the five proposals not recommended for approval, three were for malaria and two were for HIV.

The Board decided that for grants emanating from the TFM proposals, the Fund will waive the requirement that grant agreements must be signed within 12 months of the date the proposals were approved. The reason for this is that many applicants will face disruption of services during the second half of 2013 or in 2014, the latter stages of the TFM eligibility period. For these applicants, there are advantages to signing a TFM grant closer to the date of disruption.

See separate article in this issue on the TFM results by country.

The report of the Secretariat and the TRP on the TFM proposals should be available shortly on the Global Fund website at www.theglobalfund.org/en/trp/reports.

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