



Independent observer
of the Global Fund

HOW THE FUND WILL PROCEED IF INSUFFICIENT FINANCING IS AVAILABLE

[As reported in the previous issue of GFO, there is a very real possibility that there will not be enough money to fund all the proposals submitted in Round 6 that are worthy of approval. Estimates presented by the Secretariat at the recent board meeting showed a range of assumptions for new pledges that could lead to between \$200 million and a little less than \$600 million being available for the first two years of Round 6 grants. The cost of the first two years of earlier rounds ranged from \$576 million to just over \$1 billion.

Arising from this, we present the following excerpt from “The Aidspan Guide to Round 6 Applications to the Global Fund”, available at www.aidspan.org/guides.]

Global Fund policy on how to proceed when insufficient financing is available

At its meeting on 18-19 March 2004, the Global Fund board adopted a policy that will be applied in situations where the money available is not sufficient to finance the first two years of all grants recommended for approval by the TRP. (Note that paying for Years 3-5 of existing grants – i.e., grant renewals – will take priority over paying for Years 1-2 of new grants. Thus, there is an increased chance of insufficient funds being available to finance new grants now that, starting in 2005, extensive grant renewals are taking place.) When insufficient financing is available, the board will proceed as follows:

- If possible, finance all proposals in TRP Category 1, then all proposals in Category 2A, then all proposals in Category 2B.
- If there is not enough money to finance all proposals in a particular category, assign all proposals in

that category a score from 1-8 based on the country's disease burden and poverty level. Proposals from countries with a "very high" disease burden (defined below) get four points, and those from any other eligible country get one point. And proposals from countries defined as "low income" by the World Bank get four points, proposals from "lower middle income" countries two points, and proposals from "upper middle income" countries zero points. Thus, each proposal gets either four points or one point based on disease burden; plus four, two or zero points based on poverty level. Total possible points are 8, 6, 5, 4, 3, or 1.

- If possible, finance all those proposals that have eight points. Then, if possible, finance all those that have six points. Then, all those that have five points. And so on, until there is a score which cannot be fully financed.
- [It is possible that there will] be points awarded for repeated instances in previous rounds of proposals not having been approved, or for not having previously applied.
- The definition of "very high" disease burden is as follows: For HIV/AIDS: if the country's ratio of adult HIV seroprevalence (as reported by UNAIDS, multiplied by 1000) to Gross National Income per capita (Atlas method, as reported by the World Bank) exceeds five. For TB: if the country is included on the WHO list of 22 high burden countries, or on the WHO list of the 36 countries that account for 95% of all new TB cases attributable to HIV/AIDS. For malaria: if the country experiences more than one death due to malaria per 1000 people per year.
- Grants recommended by the TRP for which financing is not available may be handled in one of two possible ways. One option is that they are simply not approved – meaning, the only chance for these proposals is if they are resubmitted in future rounds, where they will be competing against proposals newly generated in that round. The other option is that they are held for eventual approval until [later], when additional money might be available.

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