



Independent observer
of the Global Fund

DEMAND FOR ROUND 9 IS SIGNIFICANT

Proposals submitted for Round 9 are three-quarters as large, in average dollar value, as proposals submitted in Round 8, but still significantly larger than for any of the first seven rounds of funding. (Round 8 was by far the largest round to date.)

Preliminary data show the total cost of for the first two years for all 165 proposals submitted in Round 9 by the 1 June 2009 deadline was \$4.82 billion, compared to \$6.4 billion in Round 8. These figures exclude demand from up to 13 additional proposals that were given deferred submission dates (to 1 July 2009).

The TRP will review all Round 9 proposals shortly, and will recommend to the Board which ones should be funded. The Board will make final decisions on funding at its meeting in November 2009.

The final cost of Round 9 will not be known until the TRP makes its recommendations to the Board. However, if past experience is a guide, there will not likely be sufficient funds available for the Board to approve all Round 9 proposals recommended for funding by the TRP. When Round 8 came in much higher than expected, the Board deferred formal approval of some of the TRP-recommended proposals until more funds became available. And the Board approved only 90 percent of the total cost of all TRP-recommended proposals, mandating that budgets for these proposals be cut, on average, by 10 percent.

Further, when donors met in late March 2009 to review updated estimates for how much the money the Global Fund might need for the years 2008-2010, the Fund presented estimates for Round 9 that ranged between \$1.8 billion and \$2.7 billion. The mid-point of that estimated range is \$2.25 billion. If the TRP ends up recommending for approval 51% (by dollar value) of proposals submitted in Round 9, which was the percentage that applied in Round 8, the cost of Round 8 approvals will amount to \$2.46 billion, which is \$0.21 billion higher than the mid-range assumption.

In addition, in its projections for the 2008-2010 period, presented at the March 2009 meeting, the Global Fund estimated that without additional contributions from donors, beyond what was already expected, only \$0.9 billion would be available for Round 9.

Finally, the economic slowdown has dampened expectations concerning how much money the Global Fund may be able to raise over at least the next year or two.

The \$2.46 billion projection shown above for the costs of Round 9 do not include demand from the up to 13 additional Round 9 proposals that were given deferred submission dates. Nor do they include the cost of National Strategy Applications (NSAs). The first learning wave of NSAs is underway now; funding decisions will be made at the same Board meeting in November 2009 that will decide which Round 9 proposals will be funded.

Highlights regarding the Round 9 proposals include:

- The 165 proposals that were submitted in Round 9 is 20 less than the number submitted in Round 8, and near the low end of the range of 150 to 229 proposals submitted in each of the first eight rounds.
- The average two-year cost of the proposals submitted in Round 9 was \$29 million, less than the \$35 million average for Round 8, but still dramatically up from the \$12 million average in Rounds 1-7.
- The number of TB proposals submitted in Round 9 was about half of the number submitted in Round 8; the number of malaria proposals was up by more than a quarter; the number of HIV proposals was fractionally lower.
- The percentage cost split among the HIV / TB / malaria proposals submitted in Round 9 was 50 / 27 / 23, compared to 50 / 17 / 33 in Round 8. (Thus, TB proposals were down in number but significantly up in total cost.)
- Proposals from sub-Saharan Africa represented almost two-thirds of the cost of all Round 9 proposals.
- A third of Round 9 applicants included a health systems strengthening component in their proposal, representing 14 percent of the two-year cost of proposals, up from 10 percent in Round 8.
- Six Round 9 proposals had a two-year cost of over \$100 million. Collectively, these proposals had a total cost of \$851 million, which is 18 percent of the total two-year cost for all Round 9 proposals.

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