



Independent observer
of the Global Fund

How Much Funding Will Be Available for Round 11?

Global Fund Will Issue Statement on Funding About the Time Round 11 Is Launched

In a report provided to the Global Fund Board in May 2011, the Global Fund Secretariat forecasted that \$1.5 billion would be available to fund the initial period of Round 11 proposals recommended by the Technical Review Panel (TRP). This includes proposals for disease and health systems strengthening (HSS) components in the general pool, proposals for disease components in the targeted pool, and the second wave of national strategy applications (NSAs).

The \$1.5 billion forecast was based on the assumption that all donors would honour their pledges, and that donors that traditionally do not make pledges would provide similar amounts of funding as in the past. Given the current global economical insecurity, these assumptions might appear to be optimistic. For instance, since this estimate was made, the Netherlands announced a pledge for 2011-2013 that was less than its previous three-year pledge, and less than the Global Fund had been expecting. See [Article 5](#) in this issue.

The Global Fund Secretariat is expected to issue a statement concerning funding at or about the time that Round 11 is launched (on 15 August).

For Round 10, the Global Fund approved \$1.7 billion in funding for the first two years of all proposals recommended by the TRP. For Round 9, the Fund approved \$2.38 billion in funding for the first two years. This amount was after the 10% "efficiency" cuts. Round 9 included the first learning wave of NSAs.

For Round 8, the Fund approved \$2.75 billion in funding for the first two years (after the 10% efficiency cuts).

The Global Fund has not always had enough money on hand to immediately fund the first two years of all proposals recommended by the TRP. In several rounds, the Fund had to delay formal approval of funding for some grants. However, the delays have never lasted for more than a few months.

Although, in the past, the Global Fund has always approved funding for the first two years of each grant (the “initial period”), it may or may not do so for Round 11. The situation is more complicated under the new grant architecture. In the past, the end of the first two years marked the end of Phase 1 of a grant. Prior to the end of Phase 1, a performance review was carried out before funding for Phase 2 (usually for three years) was approved. However, under the new grant architecture, fixed implementation periods of (usually) three years have replaced the Phase 1-Phase 2 formula. For more information on how grants will work in the future, see this [GFO article](#).

In cases where approval of a Round 11 proposal results in a new single-stream-of-funding (SSF) agreement being signed with a PR (rather than an existing one being supplemented), one might expect that the Board would approve funding for the first three years of the new interventions in the proposal (i.e., the first implementation period). However, it is unlikely that the Fund will have enough money on hand to approve funding for three years for a large number of proposals. It depends on many factors, including the total cost of proposals recommended for funding and how well the Global Fund’s fundraising efforts are doing. But it would be surprising if the Fund decided to approve funding for any proposal for a period longer than two years.

In cases where a Round 11 proposal is approved and the nominated PR already has an SSF agreement with the Global Fund, then the Board could approve funding for a period of less than two years. For example, if the proposed starting date for the new initiatives in the Round 11 proposal is 1 October 2012, and if the first implementation period of the existing SSF agreement will end on 31 December 2013, then the Board would likely approve funding for only 15 month (i.e., the time left in the first implementation period).

If the Global Fund determines that there is not enough money to fund the initial periods of all proposals recommended for funding by the TRP, then the Fund’s new prioritisation criteria would be invoked. For the general pool, the prioritisation criteria are based on a three-part composite index comprising income level, disease burden and TRP recommendation category. Proposals are funded in the order in which they rank in the composite index. Thus, some proposals would be funded immediately, while others might have to wait until more money becomes available. There is nothing in the prioritisation criteria that says how long proposals can remain on the “waiting list” for money to become available.

It is not clear what the “interplay” will be between the length of the initial funding periods for which the Board approves funding and any decision to invoke the prioritisation criteria. For example, if the Fund does not have enough money to fund the first two years of proposals recommended by the TRP (where new SSF agreements are being signed), could the Board decide to fund only the first 18 months (and thus perhaps avoid having to invoke the prioritisation criteria)?

Given the uncertainties around funding, should CCMs consider not applying at all in Round 11? That is a decision that each potential applicant will have to make. However, potential applicants should consider that proposals from the next round of funding, Round 12, will not likely be approved before the end of 2013 – which means that Round 12 money might not start flowing to countries before the end of 2014.

[Read More](#)
