

# The New Funding Model

## Key features and implementation

V8.1 – 6 March 2013

# Principles of the new funding model

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- Greater **alignment** with country schedules, context, and priorities
- **Focus** on countries with the highest disease burden and lowest ability to pay, while keeping the portfolio global
- **Simplicity** for both implementers and the Global Fund
- **Predictability** of process and financing levels
- Ability to elicit **full expressions of demand** and **reward ambition**

# Key features

The new funding model changes the way applicants apply for funding, get approval of their proposals and then manage their grants

## Predictable funding

- Applicants are given an indicative funding range over a 3-year period
- The Secretariat will hold indicative amounts for applicants until they apply

## Timing of requests

- Applicants apply for funding when they want
- Applicants can submit different disease or HCSS requests at different times
- Applicants can use in-country planning cycles

## Length of grants

- Three years

## Early feedback

- Applicants submit a funding request through a “Concept Note”
- Early feedback from the Secretariat and the TRP = higher success rate

## Incentive funding

- Competitive funding in addition to indicative range
- Rewards high impact, well-performing programs
- Encourages full expression of demand

## Grant-making

- Upfront risk and capacity assessments
- Differentiated processes to ensure disbursement-ready grants
- Funding requests negotiated before Board approval

# How does the new model differ from the previous model?

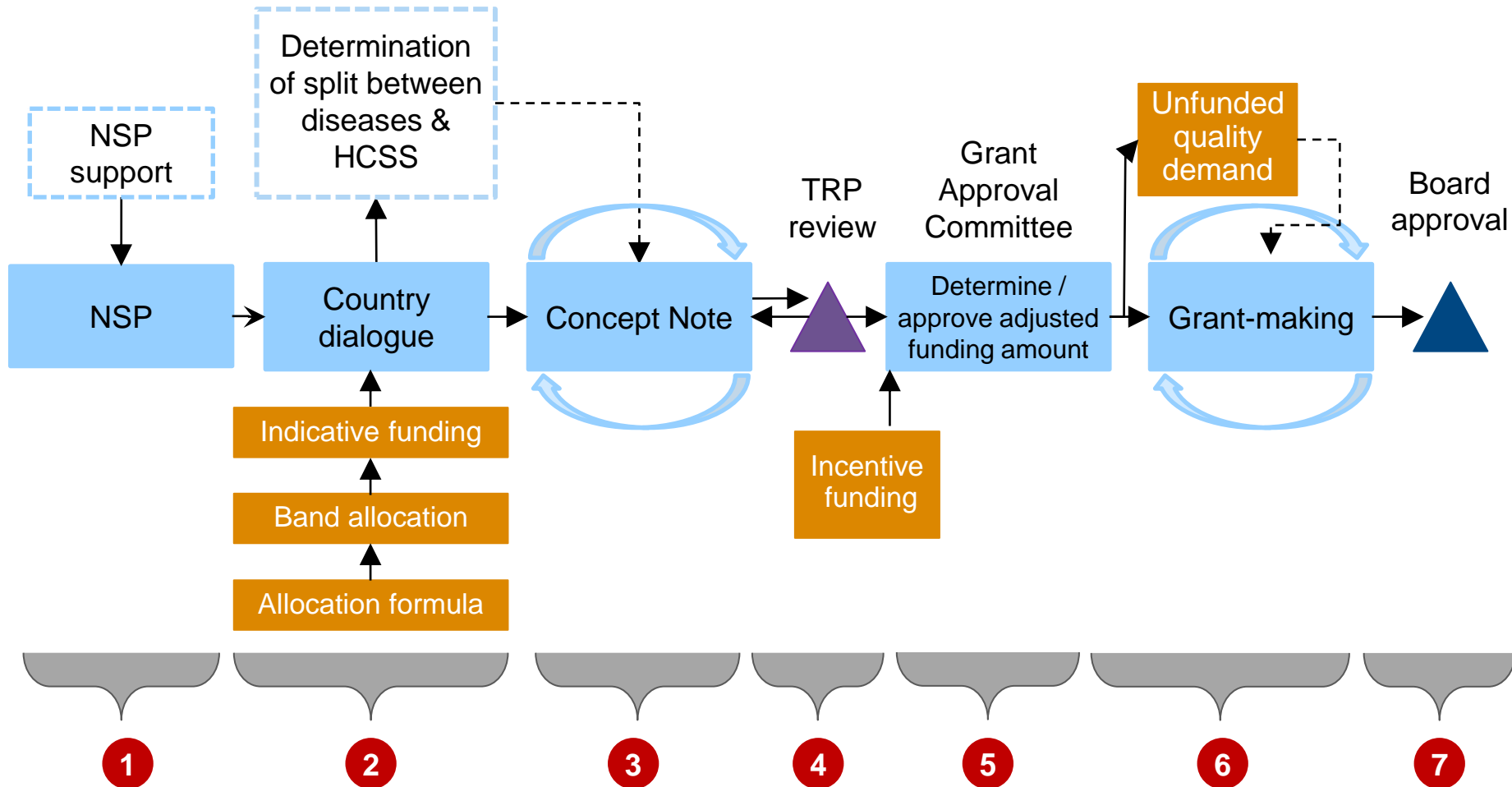
## From previous model

- Passive role by the Secretariat in influencing investments
- Timelines largely defined by the Global Fund
- Hands-off Secretariat role prior to Board approval
- Low predictability: timing of Rounds, success rates and available funds
- Cumbersome undifferentiated process to grant signing with different delays

## To new funding model

- More **active portfolio management** to optimize impact
- Timelines largely defined by each country
- Ongoing engagement by Secretariat
- **High predictability:** timing, success rates, indicative funding range
- **Disbursement-ready grants** with differentiated approach

# Overview of the new funding model



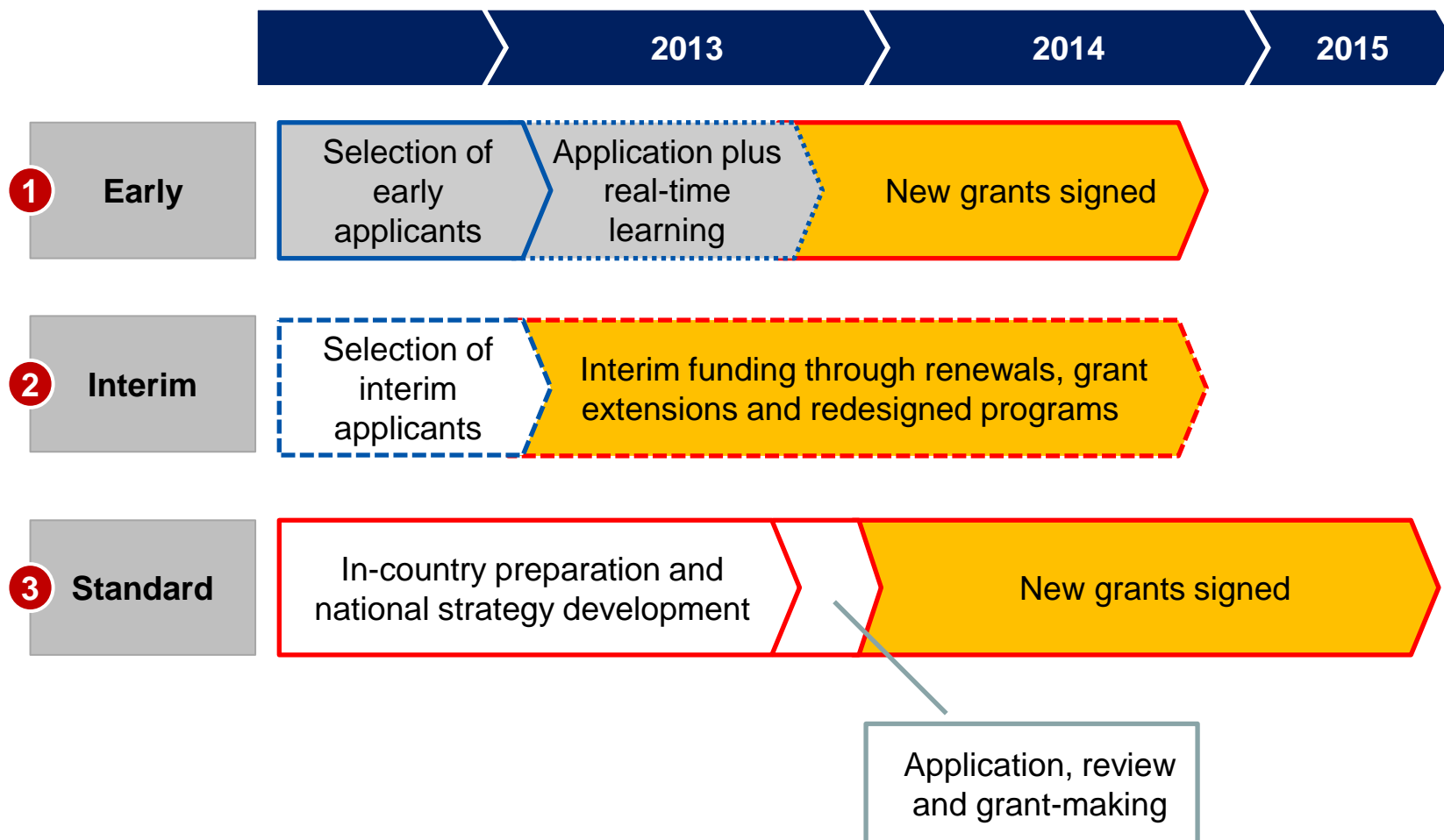
# Events leading up to the Board's decision and implementation

When	Key event	Outcome
2011	New Global Fund Strategy approved	Established the framework to <b>replace</b> “Rounds” with a substantially changed funding model
2012	Decisions on New funding model	<b>Design and Agreement</b> on all key features of the new model, with timelines for implementation
2013	Implementation	<b>Create grants</b> for a limited number of countries based on funds available
2014		<b>Full implementation</b> of the new funding model after replenishment

# In new funding model, disease programs will fall into one of three categories

	How they receive funding	What they do
1 Early applicants	<b>New grant:</b> eligible for indicative and incentive funding	<b>All steps of the new funding model process</b> – country dialogue, submitting a concept note, TRP review, rant making
2 Interim applicants	<b>Renewals and extensions of existing grants, and redesigns to access funding in 2013</b>	Country dialogue
3 Standard applicants	<b>Prepare for applications to be submitted in late 2013 or in 2014</b>	Country dialogue

# Timelines: new funding model starts now





# Purpose of the transition

This will...

Board approves  
immediate  
launch of the  
transition to the  
new funding  
model



- Enable investment of available funds, for early impact
- Focus on those most in need (e.g. underfunded or facing disruption)
- Begin implementing elements of the new model

# Participation in the transition

Who will be  
**invited to**  
participate?

Countries positioned to achieve rapid impact

Countries at risk of service interruptions

Countries receiving less than they would under the new funding model principles