

GLOBAL FUND OBSERVER (GFO) NEWSLETTER, a service of Aidspace.

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**1. NEWS: Round 4 is Biggest Ever**  
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The Global Fund has received proposals costing significantly more in Round 4 than in any of the previous three rounds. Some 320 proposals were received by the deadline of April 5. In a pattern reflecting previous rounds, nearly half the proposals had to be removed by the Secretariat because they were ineligible – for instance, they were submitted by high-income countries, or they did not relate to the three diseases. This left about 175 proposals that were forwarded to the Technical Review Panel (TRP) for evaluation. The TRP was due to complete its deliberations on May 14, and will submit its recommendations to the board in June. On June 28-30 the board will meet and decide which proposals to approve. The results will immediately be made public.

The number of eligible Round 4 proposals received was approximately the same as in Round 3, but the total cost of Years 1-2 (for all submitted proposals) went up, in comparison to the previous round, from \$1.9 billion to \$2.9 billion. This increase was a relief to many observers, who had been concerned at the fact that in Round 3, the number and total cost of both received and approved proposals unexpectedly fell by some 20% from the previous round. They had expected that as the Fund moves from financing pilot projects to financing nationwide roll-out of programs, particularly ones involving treatment, the cost of each round would steadily climb. That expected trend now appears to have been restored with Round 4.

The Round 4 proposals showed an increase over previous rounds in the number that focused on antiretroviral treatment for HIV/AIDS and on the new and more effective (but also more expensive) combination therapy for malaria based on artemisinin. There was also an increase in applications from NGOs and in applications involving co-investment with the private sector.

In previous rounds, as shown in the table below, between 34% and 41% of the dollar value of eligible proposals was eventually approved by the board. If that precedent is followed in Round 4, the cost of Years 1-2 of approved Round 4 proposals will be between \$1.0 and \$1.2 billion. However, in Round 4 it is likely that the percentage approved will be higher, because some previously unsuccessful proposals have been resubmitted after being reworked, some large new proposals have been submitted based on earlier successes, and WHO assisted many applicants with the preparation of large HIV-treatment proposals. If, for instance, 55% of the dollar value of eligible Round 4 proposals is approved, this would lead to a 2-year cost for Round 4 of \$1.6 billion. That is approximately \$0.5 billion more than the Fund currently projects it will have available.

In the event that insufficient money is available to cover all proposals recommended for approval by the TRP, the board will follow a complex prioritization scheme. For a description of that scheme, see the article "Approving grants when there is insufficient money available" in GFO Issue 20, available at [www.aidspan.org/gfo/archives](http://www.aidspan.org/gfo/archives).

Proposals Submitted to the Global Fund in Rounds 1 to 4

	Number of eligible proposals	Percent	Cost of Years 1-2	Percent
Round 1: Submitted	204		c. \$1,500 m.	
of which, Approved	58	28%	\$578 m.	c. 39%
Round 2: Submitted	229		\$2,137 m.	
of which, Approved	98	43%	\$878 m.	41%
Round 3: Submitted	180		\$1,853 m.	
of which, Approved	71	39%	\$623 m.	34%
Round 4: Submitted	c. 175		c. \$2,900 m.	
of which, Approved	Not yet decided			

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**2. NEWS: Global Fund Secretariat is Reorganized**  
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The Secretariat of the Global Fund has undergone a significant reorganization. The main changes have occurred at the level immediately below Executive Director Richard Feachem: some staff have left, some no longer report directly to Dr. Feachem, and some now have increased responsibilities. The number of director-level staff reporting to Dr. Feachem has been reduced from six to four.

According to a letter from Dr. Feachem to the board, the reorganization was necessary because of weaknesses that "impeded the Secretariat's performance [and] led to an unacceptable level of stress for a number of staff. In parallel, the shifting focus within portfolio management, from grant negotiation to implementation and results monitoring, exposed inadequacies in the Secretariat structure."

In addition, said Dr. Feachem, "there was lack of clarity of responsibility and authority in some areas, leading to policy drift and delays in decision-making. The structure [was] top heavy, with too many director-level posts. Talented and experienced professionals [were] not given sufficient freedom and authority to make decisions in areas for which they [were] responsible, and in some instances, skills did not match tasks."

The reorganization took place following an internal assessment, supported by consultants, lasting several months. That assessment was inspired by a recognition that any new organization needs to evolve, and by concerns expressed by some that the Secretariat was not functioning as smoothly or as harmoniously as it needs to.

The Secretariat is now led by an Executive Management Team consisting of Dr. Feachem; Brad Herbert (who is now Chief of Operations); Christoph Benn (Director of External Relations); John Burke

(newly hired as Chief Administrative Officer); Barry Greene (Chief Finance Officer); and, still to be hired, a Director of Corporate Strategy and Performance Measurement.

Brad Herbert, as Chief of Operations, now has responsibility over all Portfolio Managers (the staff who oversee grant implementation) and over two new teams: one responsible for Operational Partnerships and Country Support (led by As Sy) and one responsible for Portfolio Services and Policy (led by Eiichi Seki, who has just joined the Fund). The team led by As Sy will apparently focus in particular on problem grants; it will also oversee the grant proposal process.

The roughly seventeen portfolio managers have been divided into eight clusters, each consisting of at least two portfolio managers, one of whom serves as Cluster Leader. The clusters are Africa 1 (led by Duncan Earle); Africa 2 (led by Elizabeth Hoff); Africa 3 (led by Mabingue Ngom); Africa 4, including the Middle East (led by Hind Khatib Othman); Eastern Europe (led by Urban Weber); Asia 1 (led by Taufiqur Rahman); Asia 2 (led by Tom Hurley); and Latin America and the Caribbean (leader not known).

Christoph Benn, as Director of External Relations, now has responsibility over donor relations (i.e. fundraising), global partnerships, publications and multimedia, private sector and branding, and board relations and conferences. Corporate communications will be handled by the Executive Director's office.

The Director of Corporate Strategy and Performance Measurement, yet to be hired, will be responsible for ensuring that, in Dr. Feachem's words, "the Global Fund remains an innovative institution drawing on the best practices from both private and public sectors." His or her team will also be responsible for measuring the Fund's progress, both within the organization and at the grant-implementation level.

One aspect of the reorganization that has received criticism is that the five current members of the newly-formed Executive Management Team are all white men from developed countries. (A sixth member of the team will be added after a new senior staff position is filled.) In his letter to the board, Dr. Feachem acknowledged that this is "unsatisfactory." He added that of staff with any management responsibility within the Secretariat as a whole, 38% are female and 48% are from continents other than Europe and North America.

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**3. INTERVIEW: Helene Rossert, First NGO Representative to be Chosen as Vice Chair**

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At the March board meeting, the Global Fund board elected Helene Rossert as Vice Chair. She is the first NGO representative, and the first woman, to serve in either of the top two board positions. (For more on the election itself, see GFO Issue 20, available at [www.aidspace.org/gfo/archives](http://www.aidspace.org/gfo/archives).)

Dr. Rossert is a medical and public health doctor with more than 15 years' experience working on HIV/AIDS. As Director General of AIDES, the largest French AIDS organization, she directs 1,500 staff and volunteers in France, Africa, and elsewhere.

In a recent interview conducted by GFO, Dr. Rossert said that she stood for the position because "when you run for election, the idea is not necessarily to win, but to raise your voice, and to say that you have things to push forward." She said she particularly wanted to make a stand on behalf of NGOs in developing countries – including those both inside and outside CCMs – which too often "are not able to participate in any democratic process."

Speaking of NGOs as a whole, she said, "It's time for us to make a difference."

As Vice Chair, Dr. Rossert will take over the running of board meetings when the Chair, Tommy Thompson of the USA, is not available. But more significantly, she will work closely with the Chair on many decisions that have to be made between board meetings. In addition, she will serve as chair of the Ethics Committee, which is currently examining the board's conflicts of interest policy.

Dr. Rossert said she will continue to pursue her particular interest in the Fund's resource mobilization needs. "I will try as much as I can, as a European, to reinforce the European investment," she said. As for US donations, "I'm not very sure I can do anything," she said, but added that she will not hesitate to use "my pen and my tongue, to write and say what I think about it."

Noting that the Fund hasn't got enough money to reach the WHO's stated goal of putting 3 million people on HIV/AIDS treatment by the end of 2005, and that there are many more people than that who need treatment, Dr. Rossert said that while, as Vice Chair, she agrees with Dr. Feachem that the Fund needs to reach a level of seven or eight billion dollars a year, "as an activist I say there is much more needed."

Dr. Rossert praised the board's commitment, commenting that "All the members are actively involved in it, which is something unique." She said that she hopes there will be a board meeting before the end of the year that will devote its time to looking at what is happening in the field, including the status of CCMs. "I think this will help the process of looking at funding," she said, "because the donors really need to have pressure from the field, I believe, to raise their [donation] figures. Otherwise, I think fundraising is going to be difficult."

Dr. Rossert's term of office (both as a board member and as Vice Chair) lasts until March 2005. At that time, the board will choose a new Chair from among the seven board members who then represent developing countries and the two who represent NGOs, and a new Vice Chair from among the seven board members who represent developed countries and the two who represent foundations and corporations. Dr. Rossert said she will not be a candidate for Chair at that time.

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**4. NEWS: Nairobi Regional Meeting Makes Recommendations Regarding CCMs**

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On July 7 and 8, the Global Fund will hold its first bi-annual Partnership Forum in Bangkok, immediately prior to the International AIDS Conference. The role of the Partnership Forum is to provide a channel for feedback from people interested in the Fund who are not formally represented in the Fund's governance structure.

About 600 people will be invited to attend the event. The Fund says it is making every effort to ensure the fullest participation of people living with the three diseases (HIV/AIDS, tuberculosis, and malaria), and of youth and women. In addition, the Fund is endeavoring to include representatives of groups and organizations that haven't applied for grants, or whose applications have been declined.

The Fund has scheduled five regional meetings from late March to mid-June that are intended, in part, to provide input to the Partnership Forum. Unlike the Forum itself, these are attended almost entirely by people representing grant recipients.

The Nairobi regional meeting, in early May, was attended by about seventy people from CCMs in Eastern and Southern Africa. Its objectives were to increase understanding of Global Fund processes; to provide feedback to the Secretariat; and to facilitate information exchange between people from different countries within the region.

On the third and last day, the meeting divided into four working groups to develop some inputs for the Partnership Forum. One of these working groups focused on CCMs. Unlike many previous meetings on CCMs, the group sought not just to comment on problems and possibilities, but to make concrete recommendations. The working group consisted of about twenty people ranging from government-based chairs of CCMs to NGO CCM members. The group agreed on (and presented to the full meeting) the following recommendations regarding the structure and methods that should be followed by any CCM:

- The CCM should be built upon existing structures, where relevant.
- To ensure effectiveness, CCM size should be limited to a manageable number of members. This number should be agreed among relevant stakeholders.

- The constituencies represented on the CCM should be government, NGOs, development partners, representatives of clients served (PWAs, etc.), private sector, faith based organizations, and academic.
- Each of these constituencies should have at least one CCM seat. Each constituency can then make a case for having additional seats.
- Each CCM member should be selected by and represent their constituency. Each CCM member must receive input from, and report back to, its constituency.
- The CCM should create agreed written Terms Of Reference, covering multiple matters such as the selection and role of the Chair and Vice Chair.
- The Terms of Reference should include, as a key objective of the CCM, the building of trust among members.
- The CCM should make use of technical working groups. Each such group should include at least one CCM member, plus non-CCM members with relevant expertise. Technical working groups could be established on a disease basis, on a thematic basis (e.g. finance), or some other basis.
- The CCM should, where relevant, seek funding to cover the expenses of its own activities, including a CCM secretariat; internal CCM consultations and consultations with constituencies; and oversight of GF grant implementation.
- This funding should be made available by or from one or more of the following: (a) the national government; (b) development partners, the private sector, etc.; and (c) a budget line in approved GF proposals/grants.

Two of the other working groups made recommendations that mentioned CCMs. The CCM-specific recommendations were:

- The Principal Recipient should not be the chair of the CCM.
- Donor participation in CCMs should be encouraged. However, in order to ensure the right balance of representation in CCMs, the possibility of developing two levels of CCM should be examined: a steering committee to provide oversight and ensure coordination; and technical committees with representation from key partners.

The CCM working group at the Nairobi meeting was influenced in its thinking by a description of the recent decision by the Kenyan CCM to reduce its membership from about 36 people to just 16. (This was briefly described in GFO Issue 18.) The specifics of the Kenyan decision were finalized over several weeks. But the main concepts were thrashed out at a half-day meeting late last year involving not only CCM members, but also many other people from interested constituencies. That meeting proceeded as follows.

First, agreement was reached that the existing CCM was too large; that some meetings were dominated by government members and some by development partners; that meetings consisted of speeches rather than discussion; and that little of value was emerging.

Then agreement was reached that the size of the CCM should be reduced to sixteen members.

Then agreement was reached that the constituencies represented in the CCM should be seven – government, bilateral and multilateral development partners, faith-based organizations, NGOs, people living with AIDS, professional associations, private sector, and academic institutions.

Then it was agreed that each of these seven constituencies should be guaranteed one CCM seat, and also that the CCM Chair should be the Minister of Health.

Then each constituency made its case for any desired increase in its representation beyond one – but this was done in the context of the agreement already reached that the total size should be capped at 16.

The precise CCM composition that was agreed on was: government – 3 members; bilateral and multilateral development partners – 3 members; faith-based organizations – 3 members; NGOs – 2 members; people living with AIDS – 2 members; professional associations – 1 member; private sector – 1 member; academic institutions – 1 member.

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The GFO NEWSLETTER is an independent source of news, analysis and commentary about the Global Fund to Fight AIDS, TB and Malaria ([www.theglobalfund.org](http://www.theglobalfund.org)). The GFO Newsletter is emailed to about 5,000 subscribers once to twice a month.

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