

GLOBAL FUND OBSERVER (GFO), an independent newsletter about the Global Fund provided by Aidspace to 10,000 subscribers.

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[2. NEWS: Aidspace Launches "Round 6 Proposal Review Service"](#)

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In ten small skills-building sessions at this week's Partnership Forum in Durban, participants shared their experiences concerning what was working well with Global Fund grants they are involved in.

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In a recently-completed survey about the Global Fund, recipient governments had a high opinion of the Fund, but multilateral agencies were much less sure. In addition, recipient governments ranked their own partnerships with civil society very high, yet civil society gave a much lower ranking to the same relationship. And major concerns were raised regarding the provision of technical assistance by partners.

[5. NEWS: Donors Meet to Review Global Fund Progress](#)

Representatives of over twenty donor governments met in Durban yesterday and today for a Mid-Term Review of the first "Replenishment" period of the Global Fund, covering 2006-7. The primary purpose of the meeting was for donors to receive presentations from the Secretariat regarding the Fund's progress thus far.

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1. NEWS: Partnership Forum Generates Recommendations on Global Fund Strategic Issues

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Over 400 people from 118 countries attended the Global Fund's second Partnership Forum on 1-3 July 2006 in Durban, South Africa. Some of the most significant recommendations to emerge called for the possible use of programme-based rather than Round-based funding; making technical assistance more efficient; re-thinking the role of Local Fund Agents (LFAs); and fixing procurement and supply management bottlenecks.

The Partnership Forum meets every two years, gathering together a broad range of stakeholders to discuss the Fund's performance and effectiveness and to make strategic and operational recommendations. The first Partnership Forum was held two years ago in Bangkok, Thailand.

In general, participants believed that the Durban Partnership Forum was better organised, more broad-based in its participation, and more focused in its discussions than the Bangkok Partnership Forum. Nevertheless, some concerns were expressed about the lack of time to discuss issues in depth, the quality of the facilitation in one or two of the break-out sessions, and the process for agreeing on recommendations.

Civil Society was the largest stakeholder group in attendance, constituting 36% of total participants. Others present came from Government (18%), Global Fund Board and Donors (11%), Private Sector (8%), CCMs (7%), UN agencies (6%), and Others (13%). Some of the Government and Civil Society participants represented Principal Recipients (PRs). The only major stakeholder not in attendance was LFAs.

The agenda included skills-building sessions, plenary presentations and discussions, and group work in breakout sessions. In the sessions on operational issues, participants discussed procurement and supply management; LFAs; CCMs; PRs; private sector involvement; civil society involvement; technical assistance; and multi-country projects.

With respect to strategic issues, participants discussed Global Fund strategic positioning; Global Fund size; optimizing grant performance; funding the right things; moving beyond Phase 2; health systems strengthening; leveraging civil society and the private sector; influencing market dynamics; alignment and harmonization; resource mobilization; Global Fund architecture; and measuring impact and ensuring accountability.

The following is a list of some of the key recommendations on strategic issues that emerged from the Partnership Forum. The wording that is (with permission) shown here is based on the text that was being prepared for the Fund's website as GFO went to press. For space reasons we have omitted some of the recommendations, and we have made a few minor stylistic edits. A more definitive listing will shortly be provided by the Fund at www.theglobalfund.org/en/about/forum/2006, and a final version will appear some weeks later in the formal report of the Forum. Most of the recommendations were developed during breakout sessions by working groups; they were then presented to the plenary and sometimes briefly discussed, but they were not formally adopted. The Fund's Board and Secretariat are free to follow the recommendations, but are not obliged to do so.

Alignment and Harmonization

- The Board should consider shifting from Rounds-based funding to programme-based funding.
- The Board should set fixed annual Round dates for countries not eligible for programmatic funding.
- The Board should allow the Secretariat the strategic flexibility required to enable comprehensive grant consolidation.
- In line with the commitments set out in the UN Political Declaration (June 2006), the Board should revise the eligibility criteria for financing of grants to include middle-income countries.

Optimising Grant Performance

- The Board should explore the development of more efficient forms of information-sharing among the Secretariat, PRs, CCMs and LFAs.
- The Board should commission an in-depth analysis of the supply and demand situation of technical assistance.
- The Board should require that technical assistance be provided in a more streamlined manner, covering each stage of proposal preparation and programme implementation.
- The GF should make more of an effort to recommend a variety of sources of technical assistance, including from civil society and the private sector, and not just from UN agencies.

Global Fund Architecture

- The Board should review the architecture and terms of reference of LFAs.

- The GF should promote the use of multiple PRs.
- The GF should ensure that the TRP includes members with expertise on gender, human rights and health system strengthening.

Measuring Impact and Ensuring Accountability

- The GF should measure its impact not only on disease burden, but also on strengthening health and other systems.
- The GF should, as much as possible, permit countries to report using indicators and systems that are already used at the country level.
- The measurement of indicators should not provide an excessive burden on staff time. For stable grants, grant reporting should not be required more often than every six or twelve months.
- The Board, together with UNAIDS and GF recipients at country level, should convene all donors with a view to agreeing to a single reporting methodology and consolidated country report.

Resource Mobilisation

- The Board should consider moving the GF from a low level to a high level of engagement around innovative financing. The Board should ensure appropriate flexibility in order to accommodate the differences between innovative financing mechanisms and the GF model.
- The Board should explore modifying its resource mobilization response and using more of a “business model.” This would include addressing issues such as the skill set of the Executive Director, Secretariat staff and the Board. A key principle of the resource mobilization response needs to be long term predictable financing and multi-year applicability.

Beyond Phase 2

- The Board should ensure that high performing grants which have been completed should qualify for extensions instead of being part of new Rounds (as long as the activities remain the same as in the initial grant).
- The Board should explore the need for longer term grants – e.g., 8-10 years – while maintaining the role of the TRP and other performance-based funding requirements.
- The Board should consider some form of exit or sustainability strategy in the grants process. Features of such a strategy could include:
 - Phased exit strategy: Incremental (step by step) in line with governments’ financial planning.
 - Differentiation: Different approaches for different diseases, contexts and countries.
 - Inclusion of government commitment and support to civil society in the strategy.

Health Systems

- The Board should have a strong, clearly articulated mandate for ongoing investments into a broad range of health system strengthening interventions.
- The Board should establish longer funding cycles for health systems strengthening.
- The Board should prioritize funding health systems strengthening for integrated primary health care delivery within universal access goals.
- The Board should consider expanding the scope of funding to include sexual reproductive health and basic primary health care.

Civil Society and the Private Sector

- The Board should commission an external evaluation of civil society participation, especially the participation of affected communities, at all levels of the GF.

- The Board should commission an external evaluation of private sector participation at all levels of the GF.

Market Dynamics

- The Board should develop a comprehensive market dynamics approach (including a procurement strategy) that aims to get the largest number of products to the greatest number of people in the shortest possible time at the lowest possible cost, while maintaining a level of assured quality.
- The Board should urgently commission participatory research into the entire procurement process (from producer to patient) in order to identify the root causes of procurement and supply management problems and to inform the strategic consideration of the GF’s market dynamics approach (including a procurement strategy).

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2. NEWS: Aidspan Launches “Round 6 Proposal Review Service”

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Aidspan, publisher of *Global Fund Observer*, today announced a “Round 6 Proposal Review Service” for CCM applicants to the Global Fund. The service is available free of charge.

Under the Proposal Review Service, Aidspan will spend about two days reviewing each draft proposal that a CCM asks it to review and that Aidspan agrees to take on. Aidspan will, for each section in each draft proposal that it reviews, comment on whether the writing is clear, whether the text adequately and appropriately answers the questions, whether the text is of an appropriate length, whether the text duplicates or conflicts with what is said elsewhere in the proposal, and whether the text seems to adequately deal with TRP comments made in response to prior applications from the same CCM.

Aidspan will not comment on the technical quality of the proposal, or its appropriateness to the country in question, and will not write or rewrite any part of the proposal.

Aidspan has a limited amount of time that it can devote to this service. Consequently, it is unlikely to be able to respond to all requests received. Generally, requests will be booked in the order received.

The Proposal Review Service will be provided by David Garmaise, author of “*The Aidspan Guide to Round 6 Applications to the Global Fund*” and other Aidspan guides, available at www.aidspan.org/guides.

If a CCM wishes to avail itself of this service: (a) a request should be sent by email as soon as possible to David Garmaise at garmaise@aidspan.org; (b) the request should come from the Chair of the CCM, or from whoever chairs the committee that is charged by the CCM with writing the proposal; (c) the request should state that the CCM will make good use of “*The Aidspan Guide to Round 6 Applications to the Global Fund*” prior to sending Aidspan the draft proposal for review; and (d) the request should state that the CCM will carefully study the TRP’s comments on any Round 4 and Round 5 proposals that it submitted for the same component(s). Unfortunately, only proposals in English can be reviewed.

Once a request for the Proposal Review Service is received, Aidspan will contact the CCM to advise whether it can provide the service, and to draw up a schedule for when the draft proposal should be submitted and when the review will be completed. The objective will be to provide a fast turnaround.

Once Aidspan has agreed to provide the service to a particular CCM, the CCM can email short questions about its work on the proposal before it is time to submit the draft. When the CCM submits the draft proposal, it can ask additional questions, either embedded in the proposal text, or written in a separate document or email message.

Aidspan will treat the draft proposal and its own comments as confidential, and will not communicate with the Fund regarding any proposal that it reviews. Aidspan and the Global Fund have no formal

relationship, and Aidspace accepts no grants or fees from the Global Fund. Aidspace is funded by grants from foundations, and does not accept consulting fees.

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3. NEWS: Skills Building Sessions Generate Some Useful Lessons

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A half-day was set aside at this week's Partnership Forum in Durban for skills building. In ten separate small group sessions, participants shared their experiences concerning what was working well. The following is a summary of some of the lessons learned:

Effective implementation of grants:

- Decentralizing the implementation process makes it easier to get close to affected communities.
- It is important to align the programmes to national plans.
- Civil society organizations have a key role to play in implementation, and should not just be sitting on the CCM.
- Qualitative indicators are as important as scale, coverage and quantitative indicators to measure success.
- A high level of leadership and political commitment goes a long way to ensuring the success of a programme.

Programmes for vulnerable groups:

- CCMs that are inclusive of key populations and that have inclusive processes for selection are more successful and sustainable.
- Legal constraints affecting vulnerable populations can be a barrier to CCM-supported proposals, so alternative approaches, such as the submission of non-CCM proposals, may be required.

Involvement of the private sector:

- It is useful to create a "buddy system" whereby large businesses provide support to small businesses.
- The private sector can make a core contribution to CCM functions such as leadership, management and technical assistance.
- The use of a PR with strong management expertise from the private sector can be a key to success where the required expertise does not exist at government level.

Civil society involvement:

- In some countries, intensive initial capacity building and ongoing technical support is crucial to the effective involvement of civil society.
- Government and civil society *can* work together to resolve bottlenecks.
- Transparency of procedures and allocations is critical to success.

Managing multiple PRs:

- Use of multiple PRs is likely to work best in countries with a history of civil society and government partnership.

Technical Assistance:

- Technical assistance needs should be identified and integrated into every stage of the grant process.

- There is a need to build appropriate and flexible budgets for technical assistance throughout the grant cycle.

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4. NEWS: Preliminary Results of “360-degree Stakeholder Assessment” Released

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In a recently-completed survey about the Global Fund, recipient governments had a high opinion of the Fund, but multilaterals agencies were much less sure. In addition, recipient governments ranked their own partnerships with civil society very high, yet civil society gave a much lower ranking to the same relationship. And major concerns were raised regarding the provision of technical assistance by partners.

Preliminary results of the Global Fund’s “360-degree Stakeholder Assessment” were presented early this week to participants at the Partnership Forum in Durban. The assessment was conducted as an initial step in an evaluation of the Fund’s first five years that will look into the organisational efficiency of the Fund, the effectiveness of support activities by the Fund’s partners, and the impact that the Global Fund has had on the three diseases.

An online stakeholder survey was sent to recipients representing all stakeholder groups. Links to the survey were also placed on the English, French, Spanish and Russian Global Fund web pages. Nine hundred completed responses were received: about two-thirds from developing countries, and one-third from developed countries; about two-thirds in English, and one-third in other languages; about 40% from civil society, 15% from multilateral agencies, 13% from recipient governments, and 32% from others.

Three out of four respondents rated the overall efficiency of the Global Fund as good, very good or excellent. Respondents gave the Fund their highest ratings for:

- Supporting programs that reflect country ownership
- Basing funding on the achievement of measurable results
- Focusing on funding proven and effective interventions against the three diseases

Global Fund performance was rated lowest on:

- Effectiveness of the Local Fund Agent (LFA) model for providing financial oversight
- Alignment of GF monitoring requirements with national M&E systems
- Flexibility in use of funds to support programmes
- Mobilization of private sector resources

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5. NEWS: Donors Meet to Review Global Fund Progress

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Representatives of over twenty donor governments met in Durban yesterday and today for a Mid-Term Review of the first “Replenishment” period of the Global Fund, covering 2006-7. The primary purpose of the meeting was for donors to receive presentations from the Secretariat regarding the Fund’s progress thus far. This will enable individual governments to make decisions during the coming months regarding their response to the Fund’s current financial shortfall, and to plan also for the donor meetings next year that will discuss funding for the years 2008-10.

The primary input to the meeting was the Fund’s “Mid-Year Results Report 2006”, which is available, with other meeting documentation, at www.theglobalfund.org/en/about/replenishment/durban. This report, which was summarized in the article “New Global Fund Impact Data” in GFO Issue 60, provides the most extensive data published thus far on the Fund’s impact, as against just its expenditure.

Another important input was the Fund's 2006 "Resource Needs" document, available at the above web page. As summarized in the following table, this shows that as of just over a month ago, the Fund still needed to raise almost \$1 billion in new pledges this year and just over \$1 billion in new pledges next year. Putting it another way, the Fund has secured sufficient pledges to cover the costs of Phase 2 renewals of its Round 1-5 grants, but has raised almost none of the cost of Round 6 (for which proposals must be submitted by August 3) or Round 7 (which is currently anticipated to be launched next year).

	2006	2007
Phase 2 renewal of Round 1-5 grants	\$1.7 b.	\$1.4 b.
Estimate cost of Phase 1 of Rounds 6 and 7	\$1.1 b.	\$1.3 b.
Thus, total need	\$2.8 b.	\$2.7 b.
Less, pledged as of end May 2006	\$1.9 b.	\$1.5 b.
Thus, current shortfall	\$0.9 b.	\$1.2 b.

The Fund's estimated needs increase from about \$2.75 billion per year in 2006 and 2007, as shown above, to between \$4 b. and \$6 b. annually by 2010, depending on what assumptions are made about the number of good quality applications received in future Rounds.

The Fund's needs – and its current shortfall – will be considerably higher if the Fund is to cover the same share of needed global expenditure on fighting the three pandemics in the future as it has paid of actual expenditure in the past. This is because global expenditures must climb rapidly if the world is to achieve the treatment targets that it has committed itself to in recent months.

[Note: GFO was invited to attend the Replenishment Meeting as an observer, on condition that it did not report on "who said what", and did not report on any other aspect of the discussions that took place prior to the Chair's Summary Report being posted at the Global Fund web site, which is expected to happen soon.]

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This is an issue of the GLOBAL FUND OBSERVER (GFO) Newsletter.

GFO is an independent source of news, analysis and commentary about the Global Fund to Fight AIDS, TB and Malaria (www.theglobalfund.org). GFO is emailed to 10,000 subscribers in 170 countries at least twelve times per year.

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GFO is a free service of Aidspan (www.aidspan.org), based in New York, USA. Aidspan is a nonprofit organization that serves as an independent watchdog of the Global Fund, promoting increased support for, and effectiveness of, the Fund.

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