

GLOBAL FUND OBSERVER (GFO), an independent newsletter about the Global Fund provided by Aidspace to over 7,000 subscribers in 170 countries.

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**1. NEWS: Global Fund Provisionally Agrees on Early Launch of Round 9**

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In an unexpected development, the Board of the Global Fund yesterday agreed in principle that Round 9 will be launched nearly six months earlier than had been anticipated. The Board also agreed that CCMs whose Round 8 proposals narrowly fail to be approved will be permitted to resubmit those proposals as part of Round 9, after they address shortcomings pointed out by the Technical Review Panel (TRP).

Prior to this board meeting, it had been assumed that the Round 9 Call for Proposals would be in March 2009, one year after the Round 8 Call. But at yesterday's meeting, the Board provisionally decided that the Round 9 Call for Proposals will be on about 1 October 2008, with the Round 10 Call presumably being in March 2009 (though the latter point was not explicitly discussed).

The Board's decision yesterday was provisional in that not all the practical details have yet been worked out. The Board agreed that it would finalize its decision by email in the second half of May, after receiving further input from the Secretariat. (GFO will inform readers of the final outcome.)

In Rounds 8 and 9, as in the past, the TRP will divide proposals into four categories, as follows:

- Category 1 and 2: TRP recommends Board to approve the proposal
- Category 3: Not worthy of approval as it stands; but worth improving and resubmitting.
- Category 4: TRP recommends Board to reject the proposal

However, the Board's provisional decision yesterday includes some important changes from past procedures, which affect not only Round 9 applicants, but also Round 8 applicants. These are:

- (a) When the TRP writes its comments in September on Round 8 proposals that it assigns to Category 3, it will not just list strengths and weaknesses, it will, in the words of the Board decision, "recommend the types of changes that need to be made to strengthen the proposal for resubmission."

- (b) The Secretariat will not wait until the November Board meeting to inform applicants about the TRP's recommendation and comments; it will instead provide each applicant with this information around the start of October, as soon as the Board has been informed. (It is theoretically possible that the Board will make a decision in November different from what the TRP recommends, although this has never happened in the past.)
- (c) Around the same time, i.e. about October 1, the Round 9 Call for Proposals will be issued. And Round 9 will use the same proposal form and guidelines as Round 8.
- (d) CCMs whose Round 8 proposal has been assigned to Category 3 will be able (i) to review the detailed TRP recommendations as to what changes they should make to enhance the chances of the proposal being approved upon resubmission; (ii) make appropriate improvements to the proposal; then (iii) resubmit it as part of Round 9, using the same proposal form as in Round 8, for a decision at the April 2009 board meeting. They will not, as was the case in the past, have to start from the beginning, seeking submissions for proposal ideas from in-country stakeholders, and using a newly-designed proposal form.

The precise wording of the relevant paragraphs of the Board's decision was as follows:

1. *The Board, determined to scale up the Global Fund's response to HIV, Tuberculosis and Malaria, decides in principle to announce, after the Seventeenth Board Meeting, that there will be an extra Call for Proposals for funding in 2008.*
2. *The Board requests the Secretariat to prepare to issue a Call for Proposals for Round 9, which shall employ the same proposal form and guidelines as Round 8, on or about 1 October 2008, and to provide for review of those proposals in time for approval at the Nineteenth Board Meeting in April 2009.*
3. *The Board decides that in Round 8 and 9:*
  - (a) *Applicants whose initial proposal receives a Category 3 recommendation may resubmit a revised version of the same proposal in the next Round for consideration by the TRP in time for the Board to make a decision at its next Board Meeting.*
  - (b) *When the TRP comments on initial Category 3 proposals, it is encouraged to recommend the types of changes that need to be made to strengthen the proposal for resubmission.*
  - (c) *Within a week of the Board being informed of the TRP's recommendations and comments, each applicant should be informed by the Secretariat of the TRP's recommendation and comments regarding its proposal.*
4. *The Board recognizes that this decision point has implications for the Secretariat, the TRP, and applicants. The Secretariat is requested by no later than 15 May 2008 to submit to the Board, for approval by email, a final decision on announcing Round 9, together with a description of resources available and forecasted and proposed changes to existing policies necessary to implement this decision point.*

[Note: The Fund holds two board meetings per year. The meeting held in Geneva on April 28-29 was the seventeenth such meeting. GFO was present, with observer status.]

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**2. NEWS: Main Decisions Made at Global Fund April Board Meeting**

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The main decisions made by the Global Fund Board at the meeting that ended yesterday were, in chronological order, as follows. (For precise wording of what the Board agreed, check in [www.theglobalfund.org/documents/board/17/GF-B17-DecisionPoints.pdf](http://www.theglobalfund.org/documents/board/17/GF-B17-DecisionPoints.pdf) for the Decision Points specified below.)

1. **New TRP members:** The Board approved nine new members for the TRP. The TRP now has 35 members, of whom 57% are male and 43% are female. 51% come from developing countries. [See Decision Point 4.]
2. **Grant closure costs:** The Board delegated to the Secretariat authority to approve certain additional funding to cover grant-closure costs for terminated grants, so long as the total funding for the grant does not exceed the amount originally approved by the Board. [See Decision Point 6.]
3. **Inspector General priorities:** The Board agreed on priorities for the new Inspector General. (The previous Inspector General left the Fund after a complete breakdown of the relationship between him and the Secretariat.) [See Decision Point 9.]
4. **Budget Framework:** The Board agreed a framework for computing the Fund's budget. [See Decision Point 10.]
5. **UNITAID and UNAIDS:** The Board agreed basic approaches to its ongoing relationships with UNITAID and UNAIDS. [See Decision Points 11 and 15.]
6. **Affordable Medicines Facility for Malaria:** The most effective anti-malaria drug is artemisinin combination therapy (ACT), but for many people it is too expensive. To help in this regard, the Board agreed at its last meeting to look into hosting the *Affordable Medicines Facility – malaria (AMFm)*, formerly known as the Global ACT Subsidy. The idea is to help reduce the price for ACTs by negotiating with drug companies as well as by providing co-payments or subsidies to purchasers of the drugs. After multiple committee meetings involving intense negotiations, the Board had, by this week's meeting, made some progress in deciding how all this will be handled, but it still has a long way to go. The Board agreed that the Secretariat will "prepare" to host and manage the AMFm within the Fund, subject to final approval at the next Board meeting of a policy framework and implementation plan that has still to be developed by the Secretariat under the oversight of an ad-hoc committee of the Board and others that is yet to be set up. [See Decision Points 16.]
7. **Board seats for malaria and tuberculosis:** The Board currently has non-voting seats for UNAIDS, WHO and the World Bank. Thus, there is a seat (held by UNAIDS) representing HIV/AIDS, but no seat for the Roll Back Malaria Partnership or for the Stop TB Partnership. This imbalance has twice been referred to the Fund's Policy and Strategy Committee (PSC), but PSC members had been unable to agree on increasing the size of the board, on having the UNAIDS seat be shared by the three diseases, or on any other solution. The Board discussed the matter, came up with no solution, and sent it to the PSC for a third time. [See Decision Points 17.]
8. **Increased emphasis on malaria:** The Board urged countries to submit ambitious proposals aimed at scaling up comprehensive malaria control programs, particularly the distribution of long-lasting insecticide treated nets and ACTs. The Board also urged countries to consider revising budgets for existing Global Fund grants so as accelerate implementation of such programs. [See Decision Points 18.]
9. **Transition from Administrative Services Agreement with WHO:** At its previous meeting, the Board had agreed that by the end of 2008 the Fund will terminate its Administrative Services Agreement with WHO. (Under the Agreement, WHO has been responsible for certain aspects of Global Fund administration. New procedures are to be put in place that the Fund controls more directly.) At this meeting, the Board acknowledged that not all of these new arrangements can be put in place by the end of this year and that accordingly, certain such services will continue to be handled by WHO for up to nine further months. [See Decision Points 20.]
10. **Launch of Round 9:** See separate article, above. [See Decision Points 23.]

For further details and background papers, see [www.theglobalfund.org/en/about/board/seventeenth](http://www.theglobalfund.org/en/about/board/seventeenth).

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### 3. COMMENTARY: Important Steps Towards a New Grant Architecture

by Bernard Rivers

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Large parts of the Global Fund Board meeting that ended yesterday were mind-numbingly boring, sometimes inevitably so and sometimes not. However, things certainly came to life when Round 9 was discussed.

The Board's decision regarding Round 9 creates some important new options that every CCM that is currently working on a Round 8 proposal needs to think hard about.

First, CCMs that fear they will be unable to complete a solid Round 8 proposal by the July 1 deadline will be able to keep working on the proposal and then to submit it a few months later, under Round 9, using the same proposal form.

Second, CCMs that do succeed in submitting a Round 8 proposal in time but that are then assigned to Category 3 can look forward to receiving much more proactive suggestions from the TRP than in the past regarding what needs to be done to improve the proposal. And those CCMs will then be able to resubmit using the same proposal form, and can hope for approval in April 2009.

And third, extremely ambitious CCMs will have the option to submit one proposal in Round 8 and another one in Round 9. But most will probably choose to apply in just one of those Rounds, not least because Round 10 is likely to come only a few months after Round 9.

One result of all this is that the number of proposals submitted in Round 8 will go down a bit from what it would otherwise have been.

On the other hand, the average quality of the proposals submitted in Rounds 8 and 9 should be higher than in the past, because they will only be submitted when they are ready.

Furthermore, the average dollar value of the proposals submitted in Rounds 8 and 9 will also be higher than in the past, because CCMs will be more willing to take the risk of submitting bold proposals, knowing that if the TRP likes most aspects of their proposal but is hesitant about a few other aspects, it will assign the proposal to Category 3 and will candidly say what are the areas that need fixing.

Finally, the proportion of proposals assigned to Category 4 – outright rejection – will go up. In the past, the TRP appears to have assigning some proposals to Category 3 rather than to the Category 4 that they deserve, presumably out of a desire not to hurt feelings. But under the new approach, it would be unfair to put a proposal in Category 3, with all the subsequent work that that will lead to for the CCM, if the TRP's true feeling is that the proposal is beyond repair.

In the informal view of most Secretariat and Board members at yesterday's Board meeting, the decision regarding Round 9 is just an interim step towards a much more radical surgery to the Fund's grant-making architecture. As was discussed in the Aidspace white paper *"Scaling Up to Meet the Need: Overcoming barriers to the development of bold Global Fund-financed programs"* that was published last week (see [www.aidspace.org/aidspacepublications](http://www.aidspace.org/aidspacepublications)), grant implementers are having major problems with some aspects of the Fund's current grant architecture. They are asking for an iterative process whereby the TRP lets them know what kinds of change they need to make to their proposal; they now have that. But they are, in effect, also asking for the Fund to move towards having one "single-stream grant" for each country/disease/PR combination, rather like a small business that has a loan from a bank and is then able to apply at any time to have the loan be made larger or last longer, so long as it can prove that it is using the loan for its intended purposes and is making repayments on time.

The Board spent a very long time developing its current grant architecture, consisting of Phase 2 Renewal, Rolling Continuation Channel, and more. But faced with anguished complaints from grant

applicants and implementers such as those quoted in the above white paper, the Board and Secretariat appear to be very receptive to the idea of moving towards a considerable simplification of its grant architecture. Yesterday's board decision regarding how to handle Rounds 8 and 9 was an important first step.

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

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