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Global Fund Approves Third Round of Grants, and Prepares for Round 4

At its board meeting in Chiang Mai, Thailand, on October 15-17, the Global Fund board approved 71 grants that will cost \$623 million over the first two years. (For a complete list of approved and rejected proposals, see "Analysis: Round Three Decisions," below.)

The cost of the approved grants was significantly less than had been expected, and was 30% less than in Round 2. This was for three reasons: fewer proposals than expected were submitted; most of these were modest in size; and a smaller percentage than expected were approved.

The board meeting also agreed that Round 4 will be launched on 10 January 2004, with applications to be submitted by about the end of March and approvals to be made at the board meeting in June. It appears likely that Round 4 will be the only Round in 2004, and it is far from certain that there will be any new Round in 2005, because first priority that year will go to renewing Round 1 and 2 grants.

The board meeting in Chiang Mai went fairly smoothly. Many participants, including from NGOs and developing countries, praised the way in which Chairman Tommy Thompson ran the meeting fairly and efficiently.

The Fund issued the following press release on 16 October:

**GLOBAL FUND COMMITS US\$623 MILLION TO NEW GRANTS TO FIGHT AIDS, TB AND
MALARIA**

Chiang Mai – Meeting in Thailand, the Board of the Global Fund to Fight AIDS, Tuberculosis and Malaria approved \$623 million in new two-year grants to programs fighting the three diseases. This brings the total amount approved by the Board after three proposal rounds to US\$2.1 billion to 125 countries.

“In less than two years the Global Fund has become a leading force in the fight against these three deadly diseases,” said Tommy G. Thompson, United States Secretary of Health and Human Services and Chair of the Global Fund’s Board. “Working with its partners, the Global Fund is beginning to realize our commitment to prevention and treatment at a global scale.”

To cover the amount recommended for the third round of proposals, the Board committed to fully funding the round by deferring until January 2004 formal confirmation of a portion of proposals totaling \$138 million out of the US\$623 million. Almost all proposals require additional technical clarifications before funds are legally obligated.

In addition, the Board agreed to consider a fourth round of proposals for approval at its meeting in June 2004, with guidelines and proposal forms to be issued in January.

At the Board Meeting, people living with HIV and international partners, including the World Health Organization and UNAIDS, affirmed the health emergency arising from inadequate treatment of HIV. Donors and recipients affirmed the need to make new commitments quickly and agreed on a calendar for the next round.

“At this meeting, Members of the Board worked together towards a common vision of the Global Fund as a major instrument in the world’s fight against these diseases,” said Dr Richard Feachem, the Global Fund’s Executive Director. “Their concerns challenge us to do our work better, and to do more to help the millions in need of support. Agreement by the Board on fully funding Round 3 and quickly launching Round 4 is an important step forward.”

About 60% of the funds approved are targeted at HIV/AIDS, and about the same are destined for Africa. In total, 57% will be awarded to non-governmental partners, who work with governments as part of public-private partnerships called Country Coordinating Mechanisms that develop and submit proposals to the Global Fund. Over the lifetime of the programs (two years with the possibility of renewals for another three years based on performance), they will increase the number of people living with HIV on antiretrovirals by nearly 200,000 and allow for nearly 7 million people to access HIV voluntary counseling and testing services. 18 million insecticide-treated nets to prevent malaria transmission will be purchased with the latest approved funds, and 760,000 treatments will be provided for tuberculosis.

In aggregate, the US\$2.1 billion committed by the Global Fund to date is characterized as follows, with additional information available on the website:

By region: 60% Africa; 20% Asia, Middle East and North Africa; 11% Latin America and the Caribbean; and 9% Eastern Europe.

By disease: 60% HIV/AIDS; 23% malaria; and 17% tuberculosis (with some funds to joint disease proposals).

By expenditure target: 46% drugs & commodities; 25% human resources and training; 15% physical infrastructure; 5% monitoring & evaluation; 4% administrative costs; and 5% other.

By recipient: 50% government; 29% non-governmental and community-based organizations; 5% private sector; 4% faith-based organizations; 3% people living with the diseases; 3% academic institutions; 6% other.

The Global Fund is a unique cooperative endeavor between private and public partners to advance global public health by improving underlying health systems, by enabling multi-sector strategies and by investing in local capacity – all focused by the urgent need to prevent and treat the three major infectious diseases of our time.

As a partnership of national governments from both donor and developing countries, non-governmental organizations, affected communities, corporations, foundations and international organizations, the Global Fund is well positioned to complement existing domestic, bilateral and multilateral initiatives with a major influx of new finances. As a grant-making organization, the Global Fund has adopted a rigorous, businesslike framework to attract, manage and invest substantial resources in countries and communities where these three diseases have already reached or are threatening to reach epidemic proportions.

[End of press release]

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