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of the Global Fund

Round 6 Can't Wait

Many potential applicants to the Global Fund, and the Secretariat itself, are hoping that the Round 6 Call for Proposals will be issued immediately after the Board Meeting that takes place on April 27-28, with grants then being approved at the Board Meeting in November. However, it is not certain that this will happen. The problem is that under current rules, there is at present almost no money to pay for Round 6 – most of this year's known income will be needed to cover "Phase 2 renewal" of existing grants. (For further analysis, see GFO Issue #55, www.aidspan.org/gfo.)

The main arguments being cited by Board members who support the idea of launching Round 6 this month are as follows:

1. Global leaders have set ambitious targets with the Millennium Development Goals, the UNGASS Declaration of Commitment, and the call for Universal Access in 2010. If the Global Fund does not play a leading role in financing this response, who will?
2. The Board agreed in 2003 that it will announce a minimum of one Call for Proposals per calendar year. The last Call for Proposals, for Round 5, was issued thirteen months ago.
3. In Round 5, one hundred and twenty proposals were not approved but the applicants were "encouraged to re-submit". Of these, nearly 50 were for components that have not yet been funded by the GF in the countries in question. These countries are waiting to submit improved applications.
4. Countries have already been waiting for more than a year to re-submit their proposals or put in new ones. If the Fund does not launch Round 6 in April, countries will have to wait until at least November 2006 to submit proposals. And then they must wait until mid-2007 for the proposals to be approved, and until early 2008 for grant agreements to be signed. Thus, countries that unsuccessfully applied in early 2005 will, if Round 6 is not launched in April, be unable to sign a grant agreement before 2008. Meanwhile, six million people die each year of HIV/AIDS, TB and

malaria.

5. Twenty-one grants will reach the end of Phase 2 (that is, Years 3-5) during 2006, and approximately 110 additional grants will do so during 2007-8. The only way that these successful grants can continue to receive Global Fund support after the end of Phase 2 is by being re-submitted as Round 6 proposals. Any delay in launching Round 6 will increase the number of grants that run the risk of being discontinued.
6. Every month that the Fund delays launching Round 6 will lead to an increase in the number of Round 6 proposals that are for the continuation of older Global Fund grants that have reached the end of Phase 2. The Fund will presumably give priority to those “maintenance” proposals. And that, in turn, will make it increasingly hard for any “truly new” proposals to be approved. This means there is a danger that the Fund will turn into “The Global Fund for the Maintenance of Round 1 – 5 Grants.” The Fund was intended to be much more than that.

One way to increase the amount of money available to finance Round 6 is to modify the Fund’s Comprehensive Funding Policy (CFP). As it currently stands, the CFP requires that if Round 6 is launched this month and the grants are approved at the November Board Meeting, the Board can only approve grants up to the amount of money that it expects to receive by the end of this year – even though the money would not start to be spent until at least mid-2007, with much of the money not being spent until 2009.

This is far too conservative a policy. The Fund has thus far approved grants worth \$5.16 billion, yet those grants have only progressed to the point that \$2.12 billion has had to be sent to grant implementers by the Fund. The remaining \$3.04 billion is sitting idle in the Fund’s bank, waiting for later stages in the grants in question. It’s hard for the Fund to make a strong case to donors that it desperately needs money for new grants when it is sitting on a \$3 billion mountain of cash. Many donors are willing to make pledges for future years. Why can’t those pledges be taken into consideration when the Board determines how many grants it can afford to approve in November?

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