



Independent observer
of the Global Fund

Decisions at the October Board Meeting

The Global Fund board meeting in Thailand from October 15-17 focused on how best to raise and disburse funds in a time of scarce resources. Highlights of the meeting were as follows. (The words used are GFO's own summary of what was decided. Additional interpretive comments by GFO are provided in square brackets.)

- The board approved 71 Round 3 grants that will cost \$623 million over the first two years. [As reported in GFO Issues 13 and 14, in which further information regarding these grants was provided, the cost of the approved grants was significantly less than was originally projected by the Fund, and was 30% less than in Round 2.]
- In years of scarce resources, the first use of funds will go to covering the costs of Years 3-5 of grants that are coming to the end of their second year. Funding of new rounds will take second place.
- The Call for Proposals for Round 4 will be issued, with updated guidelines, on 10 January 2004. Completed applications must be submitted by 2 April. The TRP will meet in May, and approvals will be made by the board on 28-30 June. [It appears likely that Round 4 will be the only Round in 2004, and it is far from certain that there will be a Round 5 in 2005, because first priority that year will go to renewing Round 1 and 2 grants, which might well use up all the available funds. These facts have major implications for those interested in applying to the Fund any time before 2006.]
- Countries classified as "Upper-Middle Income" by the World Bank are only eligible to apply in Round 4 if they face a very high current disease burden. [The only upper-middle income countries meeting the Fund's disease burden criteria are Botswana (for HIV, TB and malaria), and Gabon (for malaria).]
- Countries eligible to apply in Round 4 are: Afghanistan; Albania*; Algeria*; Angola; Armenia*;

Azerbaijan; Bangladesh; Belarus*; Benin; Bhutan; Bolivia*; Bosnia and Herzegovina*; Botswana*; Brazil*; Bulgaria*; Burkina Faso; Burundi; Cambodia; Cameroon; Cape Verde*; Central African Republic; Chad; China*; Colombia*; Comoros; Congo (Dem. Rep.); Congo (Rep.); Cote d'Ivoire; Cuba*; Djibouti*; Dominican Republic*; East Timor; Ecuador*; Egypt*; El Salvador*; Equatorial Guinea; Eritrea; Ethiopia; Fiji*; Gabon [malaria only]*; Gambia; Georgia; Ghana; Guatemala*; Guinea; Guinea-Bissau; Guyana*; Haiti; Honduras*; India; Indonesia; Iran*; Iraq*; Jamaica*; Jordan*; Kazakhstan*; Kenya; Kiribati*; Korea (Dem. Rep.); Kyrgyzstan; Lao People's Democratic Republic; Lesotho; Liberia; Macedonia*; Madagascar; Malawi; Maldives*; Mali; Marshall Islands*; Mauritania; Micronesia*; Moldova; Mongolia; Morocco*; Mozambique; Myanmar; Namibia*; Nepal; Nicaragua; Niger; Nigeria; Pakistan; Papua New Guinea; Paraguay*; Peru*; Philippines*; Romania*; Russian Federation*; Rwanda; Saint Vincent and the Grenadines*; Samoa*; Sao Tome and Principe; Senegal; Serbia and Montenegro*; Sierra Leone; Solomon Islands; Somalia; South Africa*; Sri Lanka*; Sudan; Suriname*; Swaziland*; Syrian Arab Republic*; Tajikistan; Tanzania; Thailand*; Togo; Tonga*; Tunisia*; Turkey*; Turkmenistan*; Uganda; Ukraine*; Uzbekistan; Vanuatu*; Vietnam; West Bank and Gaza*; Yemen; Zambia; Zimbabwe. Countries marked with * must meet additional requirements, including co-financing, focusing on poor or vulnerable populations, and moving over time towards greater reliance on domestic resources. [For details on all approved and rejected applications in Rounds 1, 2 and 3, see www.aidspace.org/globalfund/grants.]

- There will be a minimum of one new Round per calendar year. [However, the word “minimum” does not have much meaning here, because it was acknowledged that this number can be reduced to zero if insufficient funds are available.]
- A board committee will examine whether there is a conflict of interest when the Chair of a CCM [e.g. a Minister of Health] also represents or controls the Principal Recipient [e.g. a department within the MOH]. [This possible conflict arises because the CCM is responsible, in part, for evaluating the quality of the work being done by the PR.]
- A board committee will also examine whether or not CCM applications to the Fund should be accepted when the CCM does not have proper representation from civil society or from communities affected by the three diseases.
- Two board committees will examine the issue of non-CCM proposals that have been approved by the Board despite possibly not meeting the Fund's criteria for such proposals, and will also examine the applicability of these criteria in future Rounds. [Some board members felt that non-CCM applications should be acceptable when a CCM declines to deal effectively with certain issues such as HIV transmission among and from injecting drug users, or when the CCM is in a “difficult” country with minimal democracy, or when NGOs are doing effective work with marginalized populations in upper middle-income countries that are currently ineligible for Global Fund grants.]
- The provision of money to the Global Fund by government donors will continue to be voluntary rather than obligatory. However, rather than government donors making pledges whenever they feel inclined, as has been the case thus far, there will be a periodic meeting at which donor governments will agree what they will give. [A decision has yet to be made about whether these meetings will be every one, two or three years. This cycle will not affect contributions from donors other than governments. There was informal talk suggesting that the board might at some point consider obligatory, or “burden-shared” donations, but it's clear that donor governments are not yet ready for this.]
- Government donors are asked to specify before the end of 2003 how much they will give to the Fund during 2004.

- The Board's Resource Mobilization and Communications Committee will urgently develop a resource mobilization strategy, and the Secretariat will develop a workplan to implement that strategy. Outside experts will be called upon to advise and assist regarding both design and implementation. The Committee will report, one month before each board meeting, on progress in implementing the strategy. [This resolution was proposed by the Developed Countries NGO delegation after there had been many complaints about the lack of a clear resource mobilization strategy. The Resource Mobilization Committee, which has been largely dormant, was in effect challenged to do much better, and to acknowledge its need for outside help.]
- The Fund's Partnership Forum will be held in Bangkok on 7-8 July 2004, just before the IAS AIDS conference takes place in the same city. [The Partnership Forum will be an event at which numerous observers of the Fund, particularly those representing civil society, will have an opportunity to provide feedback regarding the Fund's role and operations.]

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