



Independent observer  
of the Global Fund

## Board Decisions Regarding the Approving of Grants

### 1. Approving grants when there is insufficient money available

The board agreed a policy that will be applied in situations where the money available is not sufficient to finance the first two years of all grants recommended for approval by the TRP. This has not happened in the past, but it might in the future. (Note that paying for Years 3 to 5 of existing grants will take priority over paying for Years 1 to 2 of new grants. Thus, there will be an increased chance of insufficient funds to finance new grants once extensive grant renewals are taking place. This will not be the case for Round 4, but it will be the case for Round 5 and later.)

When insufficient financing is available, the board will proceed as follows:

- If possible, finance all proposals in TRP Category 1, then all proposals in Category 2A, then all proposals in Category 2B.
- If there is not enough money to finance all proposals in a particular category, assign all proposals in that category a score ranging from 1 to 8 based on the country's disease burden and poverty level. Proposals from countries with a "very high" disease burden (defined below) get 4 points, and those from any other eligible country get 1 point. And proposals from countries defined as "low income" by the World Bank get 4 points, from "lower middle income" countries get 2 points, and from "upper middle income" countries get 0 points. Thus, each proposal gets 4 or 1 point based on disease burden, plus 4, 2 or 0 points based on poverty level. Total possible points are 8, 6, 5, 4, 3 or 1.
- If possible, finance all those proposals that have 8 points. Then, if possible, finance all those that have 6 points. Then all those that have 5 points. And so on, until there is a

score which cannot be fully financed.

- In Round 5 and later (but not in Round 4), it is possible that there will also be a score based on repeated past failures, or on not having previously applied.
- The definition of “very high” disease burden is as follows: For HIV/AIDS: if the country’s ratio of adult HIV seroprevalence (as reported by UNAIDS, multiplied by 1000) to Gross National Income per capita (Atlas method, as reported by the World Bank) exceeds 5. For tuberculosis: if the country is included on the WHO list of 22 high burden countries, or on the WHO list of the 36 countries that account for 95% of all new tuberculosis cases attributable to HIV/AIDS. For malaria: if the country experiences more than 1 death due to malaria per 1000 people per year.
- Grants recommended by the TRP but for which financing is not available will not be approved. Thus, presumably, the only chance for those proposals is if they are resubmitted in future rounds, where they will be competing against proposals newly generated in that round.

#### 7. Renewing grants as they approach the end of Year 2

The board approved a procedure that will be followed when grants are coming towards the end of their second year and are ready to seek funding for Years 3-5. This will first happen in late 2004. For each such grant, the procedure will be as follows:

- The objectives for Years 3-5 of the grant must be “broadly consistent with the original approved proposal,” though some reprogramming may be negotiated with the Secretariat.
- The Secretariat will collect a considerable body of information about how successfully the grant was implemented during Years 1-2. This information will relate to “grant performance, financial accountability and contextual considerations.” The information will be compiled and recorded in Grant Fact Sheets and Grant Score Cards, which will be made publicly accessible both before and after they are filled in by the Secretariat.
- The grant will then be considered for renewal. The maximum grant to be provided in the renewal contract will normally be the five-year amount originally approved, less the amounts disbursed during Years 1-2.
- If the Secretariat recommends that the grant be renewed, the TRP and board do not need to be involved. If the Secretariat recommends that the grant be discontinued, this will have to be reviewed by the TRP and confirmed by the board.
- The decision whether to renew will normally be taken by the Secretariat 20 months after the grant’s start date. For Round 1 and 2 grants, the definition of the start date might be adjusted to reflect “program realities”.
- The grant renewal decision might be taken earlier than the twentieth month in cases where grant implementation has proceeded unexpectedly quickly, or where there have been severe exchange rate fluctuations.
- The grant will only be renewed if there is funding available to pay for the renewal.

#### 8. Round 3 appeals

The Fund received eight appeals regarding Round 3 grant decisions. Two of these were ruled ineligible. Of the remaining six, three were recommended for approval by a special Appeal Panel and were then approved by the board. These were:

- Suriname, HIV/AIDS (Years 1-2 \$2,188,432; Years 1-5 \$4,676,831)
- Yemen, HIV/AIDS (Years 1-2 \$5,500,405; Years 1-5 \$14,764,062)
- Multi-Country America Andean Region, Malaria (Years 1-2 \$15,909,000; Years 1-5 \$26,483,000)

The Appeals Panel consisted of Dr. Allan Rosenfield acting on behalf of UNAIDS; Mr. Paul Geli suggested by the World Bank; Dr. Jonathan Broomberg from the TRP; and Dr. Kasia Sempruch Malinowska from the

TRP. Despite having half its members from the TRP, the Appeals Panel showed in its report that it was capable of disagreeing with the TRP. For instance, the report included statements like “The Appeal Panel disagreed with the TRP view that the proposed activities do not add value at a regional level, and found the proposal convincing in this respect.”

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