



Independent observer
of the Global Fund

TRP Recommends Surprisingly Small Proportion of Round 4 Proposals for Approval

Only one third of eligible Round 4 proposals, by dollar value, have been recommended by the Global Fund's Technical Review Panel (TRP) for approval. This low proportion, which will surprise many, is the same as applied in Round 3, and is less than the proportions that applied in Rounds 1 and 2.

The TRP completed its review of 175 eligible Round 4 proposals a week ago. It will not be known until the board makes its approval decisions on June 28-30 which specific proposals the TRP has recommended for board approval, but it was learned today that the cost for Years 1-2 of the proposals it recommended for board approval is \$951 m. This represents only 34% of the \$2,800 m. cost of all the eligible proposals.

As reported in the last issue of GFO, it was expected that in Round 4 the percentage approved would be higher than in previous rounds because some previously unsuccessful proposals had been resubmitted after being reworked, some large new proposals had been submitted based on earlier successes, and WHO assisted many applicants with the preparation of large HIV-treatment proposals.

The fact that TRP recommendation rates are not going up, and that nearly half the submitted proposals were not even passed to the TRP by the Secretariat because they were ineligible (e.g. they were submitted by ineligible countries or organizations, or they covered ineligible forms of activity) raises important questions about the application process. These questions include: Did the TRP take into consideration (in a way that it should not have) the limited amount of money available to cover Round 4 grants? Are the TRP's expectations regarding proposal standards going up, and if so why? Or are applications failing to improve in quality despite the increased understanding that applicants have of the Global Fund? Is the application form sufficiently clear and sufficiently easy to complete? Is sufficient technical assistance available? Are applications being completed by a small subset of those who should

be involved, without others being aware until the last moment what the application says, by which point it is too late to propose improvements?

The one positive consequence of this development is that it is likely that the Fund will, after all, have enough money to pay for all the Round 4 proposals recommended by the TRP for approval. (The Fund estimated some time ago that it would have about \$900 m. to pay for Years 1-2 of approved Round 4 grants, and the amount available may increase if new donations come in.)

The table below shows approval rates for Rounds 1 through 4.

Proposals Submitted to the Global Fund in Rounds 1 to 4

	Number of eligible proposals	Percent	Cost of Years 1-2	Percent
Round 1: Submitted	204		c. \$1,500 m.	
of which, Approved	58	28%	\$578 m.	c. 39%
Round 2: Submitted	229		\$2,137 m.	
of which, Approved	98	43%	\$878 m.	41%
Round 3: Submitted	180		\$1,853 m.	
of which, Approved	71	39%	\$623 m.	34%
Round 4: Submitted	c. 175		c. \$2,800 m.	
of which, recommended for approval	Not known	Not known	\$951 m.	c. 34%

In a related development, the Fund has reduced its forecast of the cost of renewing grants from Rounds 1, 2 and 3 this year and next. In January, the Fund forecast that costs of grant renewals would be as follows:

- In 2004: Initial renewals of Round 1: \$410 m.
- In 2005: Renewals of Rounds 1, 2 and 3: \$1,580 m.

But now, the Fund is forecasting as follows:

- In 2004: Initial renewals of Round 1: \$240 m.
- In 2005: Renewals of Rounds 1, 2 and 3: \$1,350 m.

This could mean that grants are progressing slower than anticipated; or it could mean that the cost for some grants of Years 3-5 will be less than originally anticipated; or it could mean that some grants are expected to be cancelled before the completion (or even the start) of Years 1-2.

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