



Independent observer
of the Global Fund

FUTURE GRANTS

1. Round 5

After much debate and with considerable compromise, the Global Fund board unanimously agreed to launch “Round 5,” the Fund’s fifth cycle of grant-making. The dates will be as follows:

- 30 January 2005: Release of the draft Guidelines for Proposals. This document is expected to be fairly similar to the Round 4 version.
- 17 March 2005: The “Call for Proposals” – the Fund invites Round 5 applications, and publishes the Application Form, the final Guidelines for Proposals, and a forecast of how much money is likely to be available.
- 10 June 2005: Deadline for submission of completed Round 5 proposals.
- 28-30 September 2005: Board decision regarding which Round 5 proposals to approve.

In the past, the Fund has approved a Round of grants every eight months. The gap between approving Round 4 and Round 5, however, will be fifteen months. There was no discussion of when Round 6 will be.

During the buildup to the meeting, it appeared that there would be a major fight regarding Round 5. Board members representing NGOs and developing country governments wanted to launch the Round now and to approve grants in July 2005, as did the Secretariat. The US delegation, on the other hand, with apparent backing from Japan and France, made it widely known that it opposed launching Round 5 at the Arusha meeting, wanting to delay the whole process six to twelve months. The US’s rationale was that too many grants are moving slowly, the Secretariat does not have the capacity, and there is not enough money. (An additional factor influencing the US position is that although it supports the Fund, it also

supports, possibly more strongly, its own “PEPFAR” program.)

The first sign that compromise might be possible came when some board members representing developed country governments, particularly Canada, let it be known before the meeting that they did not support the US position. The second sign came when the US chose, within the meeting, to repeat almost none of the criticisms of the Fund that it had made in a recent Congressional briefing. And the third came when board members representing developing country governments, who in the past have sometimes declined to side with the more progressive positions adopted by the NGO board members, made it quite clear that they regarded an immediate launch of Round 5 as imperative, but that they did not feel so strongly about the precise month in which proposals were approved.

Underlying the timing considerations was the issue of how much money will be available. The US pointed out that the \$1,310 m. required to cover renewals of Round 1-4 grants in 2005 will be \$285 m. more than has been promised to the Fund thus far for 2005 – meaning that based on current pledges, a negative amount is currently available for new (Round 5) grants next year. Others responded that this does not take into account the hundreds of millions of dollars that can be expected to come in additional pledges during the coming year. And further money could be freed up if the Fund softens its conservative Comprehensive Funding Policy, which requires that the entire cost of a grant be placed in the bank before the grant agreement is signed.

The final compromise decision appeared to be welcomed by all, with the unanimous vote being articulated with many firm calls of “Yes,” plus a “Oui” and a “You bet.” It means that potential grant applicants now have five months to clarify their national strategy and to decide the broad design features of the project for which they will apply for Global Fund support, followed by nearly three months during which to complete the complicated application form. (In the past, there has often been a “tail wagging the dog” situation in which national strategy and project design were to some extent invented on the fly while the application form was filled in.)

Still completely unknown is how much money will be available for Round 5. If donors give as much in 2005 as they are expected to give in 2004, there will be only about \$400 m. available for Round 5 – whereas the cost of all approved proposals in Round 4 was \$1,000 m. Maybe, in fact, 2005 contributions to the Fund will be less than in 2004, particularly because some donors “front-loaded” their contributions in 2004 in order to avoid a funding crisis with Round 4. On the other hand, maybe contributions in 2005 will increase, particularly if the two-part Replenishment Conference of donors due to take place in March and early September is successful – though that event will focus primarily on 2006-7. Left unstated by nearly all is that the Fund, although remarkable for having grown in three years to a multi-billion dollar operation, is still nowhere near the “cruising altitude” that Kofi Annan pointed out that the pandemics require when he first proposed the Fund.

2. Guidelines for proposals

The Guidelines for Proposals to be used in Round 5 are ready in draft form. They are fairly similar to the Round 4 version. The main change is that countries will no longer be able to submit applications for a joint “HIV/TB” component. Instead they can (as at present) apply for HIV, TB, Malaria, or Integrated grants; and in countries where HIV and TB epidemics are heavily intertwined, the form will ask that HIV applications include TB control dimensions, and that TB applications include HIV interventions.

The Guidelines document was sent back for final committee work to evaluate whether any countries are unreasonably excluded from eligibility.

3. Technical Review Panel

The board approved three new members of the TRP: Jacob Kumaresan of India, Lucica Ditiu of Romania,

and Joseph Decosas of Germany.

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