



Independent observer
of the Global Fund

GLOBAL FUND ANNOUNCES FIFTH CALL FOR PROPOSALS

The Global Fund announced its Fifth Call for Proposals on March 17, as agreed by the board last November.

As in the past, the three main “components” for which applications are accepted are HIV/AIDS, TB, and malaria. But in addition, for the first time, applications will be accepted that focus on “health system strengthening.” (The Fund defines this as “system-wide approaches and cross-cutting responses to strengthen health systems” that are linked to the fight against the three diseases.)

All proposals submitted by the closing date of 10 June 2005 will be reviewed to ensure that they meet the eligibility criteria. Eligible proposals will then be forwarded to the Technical Review Panel (TRP) for consideration. The TRP will make recommendations to the Global Fund Board, which will make its decisions at its 28-30 September board meeting.

When the TRP members review the proposals, they will do so in their personal capacities – they must not share the information with or accept any instructions from their employers or their national governments.

Once the TRP has assessed each proposal, it will assign it a rating in one of the following categories:

- Recommended (Category 1): Proposal is recommended for approval.
- Recommended (Category 2): Proposal is recommended for approval, subject to the applicant satisfactorily responding to a number of requests by the TRP for clarification.
- Not Recommended (Category 3): Proposal is not recommended in its present form, but applicant is encouraged to submit an improved proposal in a future round.
- Not Recommended (Category 4): Proposal is not recommended for approval, and applicant is not encouraged to re-submit.

In allocating each proposal to one of the above categories, the TRP will take into consideration only technical factors, such as whether the project described in the proposal is technically sound, whether it is one that the specified organization(s) are capable of implementing, and whether it represents good use of the money. The TRP is required to ignore the question of whether it believes the Global Fund has enough money to pay for all of the proposals that it is recommending. If the TRP recommends more proposals than the Fund has money to finance, it will be for the Board to deal with the problem.

As of 17 March 2005, the Fund estimated that only US\$300 million was available to cover the costs of Round 5. Clearly, additional pledges will be received before the board has to approve proposals at the end of September 2005. But the Fund estimates that the cost of Years 1-2 of Round 5 proposals that the TRP will recommend for approval will be about \$1,000 m. (The cost for Round 4 was \$1,038 m.) This means that the Fund needs to receive \$700 m. in additional pledges for 2005 by the end of September. Most observers believe it is unlikely that this will happen. However, some of these observers – including Aidspan, publisher of GFO – have urged that the Fund soften its financial policies, which currently require that the Fund not sign a grant agreement unless funds to cover the entire cost have already been deposited in the Fund's bank account. Softening the policy would make it possible to approve more grants in Round 5.

Once a proposal is approved by the board, the Secretariat will enter into a lengthy and complex process of: (a) ensuring that the applicant answers, to the satisfaction of the TRP, any questions that the TRP asked regarding the proposal; (b) assessing the ability of the proposed Principal Recipient (PR) to perform the role that the proposal assigns to it; and (c) negotiating grant agreement(s) with the PR. It is only after this multi-month process that the first cash disbursement will be sent. Thus, although proposals have to be submitted by 10 June 2005, it is unlikely that the first funding will be sent for successful proposals before the beginning of 2006.

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