



Independent observer
of the Global Fund

OIG Identifies Shortcomings in Rounds-Based Grant Application Process

According to the Global Fund's Office of the Inspector General (OIG):

- The way that calls for proposals in the rounds-based channel are structured is inconsistent with the Global Fund principle of supporting country-driven programmes.
- While a good proposal may be fitted into the Global Fund's proposal form, it is by no means clear that a proposal would be significantly shaped and improved by following the form.
- There is little scope for the Board to provide assurance on the financial soundness of proposals.
- After seven years of activity, the Global Fund's relationship with its partners remains poorly defined and even, in some ways, uncomfortable.
- The present obscurity of the TRP's deliberations represents something of a contrast to the rest of the Global Fund's business model.
- The current grant application process impairs the ability of the Global Fund Board to set policy and strategy.

These are among the observations in a wide-ranging, 107-page audit report released in April 2010, "The OIG Review of the Global Fund Grant Application Process." In this article, we summarise some of what the OIG said on the following topics: the high rejection rate of proposals; the lack of Global Fund presence in-country; the limitations of the screening process; the timing of principal recipient assessments; and the lack of investment in forging and maintaining more effective relations with partners. We also report on what the OIG said concerning the roles of the Fund's Country Programs staff and the Technical Review Panel (TRP). In two other articles in this issue, we summarise the OIG's observations related to, respectively, the rounds-based proposal form, and how the applications process affects the Global Fund Board's policy and governance process.

High rejection rate

The OIG said that after eight years of operation, the Global Fund's proposal rejection rate remains relatively high. The OIG said that "although an argument is sometimes made that a rejection rate in the region of 50% demonstrates the technical rigour of the TRP review process consistent with the Global Fund's high standards, this may not stand up to scrutiny when the Global Fund's wider objectives are taken into account."

According to the OIG, as a key player in the fight against the three diseases, the Global Fund has an interest in identifying and funding as many good programmes as possible. "Although the Global Fund continues to hold back from intervention in proposal development," the OIG said, "it has a strong interest (not least for its own reputation) in working to ensure that a greater share of the proposals submitted are of higher quality. This is especially true now that the Global Fund has eight years of experience in reviewing proposals and assessing programmes, and thus a good basis for demonstrating to potential recipients the type of proposal that is likely to succeed."

The OIG said that while a simple numerical or percentage target for approvals may not fit the Global Fund's approach to the application process, it might be possible to work with an objective for a percentage increase in successful proposals over an agreed time frame.

Global Fund presence in-country

In a section of its report on national strategy applications (NSAs), the OIG said that among views put forward by those canvassed for its audit was the suggestion that, contrary to current Global Fund practice, the implementation of programmes funded in response to NSAs would ideally require some permanent Global Fund presence in country. The OIG added that "more traditionally organised development organisations consider presence on the ground, or alternatively a strongly identified representation via another organisation, essential to support national strategies."

Screening process

In its report, the OIG said that there may be benefit to the Global Fund in clarifying and strengthening the screening process, perhaps making it possible for poor proposals to be rejected at this stage, rather than going forward to the TRP. The OIG said that "setting out the results of screening in a way which goes beyond simple confirmation of eligibility, and offers informed judgements on the status, function and performance of a CCM, would be helpful to the TRP."

The OIG added that there are important areas where all proposals could be examined more thoroughly before TRP review, including the soundness and reliability of budgets; the adequacy of proposed procurement arrangements; provisions for monitoring and evaluation; and consistency within the proposal of programme objectives, service delivery areas, activities in the workplan and budget lines. The OIG noted that under current arrangements, these issues are not subject to full scrutiny until grants are negotiated,

which happens after the Board has approved proposals. It said that “work on these issues should become an essential part of the planning and development of proposals, rather than arising as matters for retroactive review.”

PR assessments

Local fund agents (LFAs) evaluate nominated PRs once the Board has approved the proposals. The OIG believes that, in terms of the effectiveness of the evaluation as a control, this is too late. The OIG said that because the PR is the Global Fund’s contractual partner in country, usually over the lifetime of a grant, the soundness of the PR should be determined before proposals are presented to the Board for approval.

Role of partners

The OIG said that when it reviewed proposals for this audit, confusion about technical assistance – its availability, how and when to apply – was a common theme.

The OIG said that a 2006 external assessment of the Global Fund’s proposal development process concluded that if the Fund is to rely on partners to support the development and subsequent implementation of high quality programmes, there is a need for a significant investment in forging and maintaining more effective relations with these partners. The OIG said that today this investment is still lacking, and that the Global Fund’s relationship with its partners remains poorly defined and even, in some ways, uncomfortable.

The OIG noted that the value of partnerships has been demonstrated at the level of individual proposals. It said that three proposals it reviewed were “very convincing documents in terms of their presentation of material and the relevance of replies to questions in the proposal form.” All three had been developed with assistance from one or more of the multilateral partners.

Role of Country Programs staff

In early rounds-based TRP review sessions, the Global Fund’s Country Programs staff were available to answer questions. The OIG said that this is no longer the case, and that the staff see an advantage in the practice being revived. The OIG added that “it seems unnecessarily rigid to exclude country programs staff from the review process.”

The OIG noted that while Country Programs staff play no direct part in the process of grant application or approval, they assume a critical role after the Board has approved a proposal. “One way or another,” the OIG said, “after eight years of Global Fund operations, the case for greater involvement on the part of country programs staff, with the knowledge and experience that they possess, is increasingly compelling,” particularly as the Global Fund moves to a single stream of funding as the norm.

Role of the TRP

The OIG noted that despite the Global Fund’s status as a financing instrument, intended to leverage financing for interventions designed by recipients themselves, many of the grants now provide support for disease programmes that is similar to traditional development programmes. The OIG said,

“Now that the Global Fund has matured and built an active portfolio of grants over eight years, in the process forging close relationships with most of its recipients, it may be timely to review whether the TRP arrangements remain entirely appropriate in all their present aspects.”

The OIG pointed out that the Global Fund’s requirements are different from those of traditional development programmes, in respect to the way applications are solicited and assessed. The emphasis for

both applicants and reviewers is on the wider country context and on previous and existing Global Fund-supported activity. According to the OIG, the Global Fund's new NSA approach comes closest to a broad review of country context and health sector policy. The OIG said that the TRP review process for the rolling continuation channel (now discontinued) came closest to including an obligatory assessment of past performance, but that "the rounds-based review – which provided an ineffective model for the start of the Global Fund's activities – may be less well adapted to current circumstances, with so many countries already in receipt of Global Fund financing."

The OIG said that "as the Global Fund develops a history with each of its recipients, it is difficult to limit the review of proposals to so-called 'technical' issues only" and that "there is an increasing expectation that the TRP will look also at performance issues in detail. Performance could become an important criterion when allocating resources among competing proposals."

See also articles 2 and 5 in this issue. "The OIG Review of the Global Fund Grant Application Process," April 2010, is available at

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