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## IMPORTANT STEPS TOWARDS A NEW GRANT ARCHITECTURE

Large parts of the Global Fund Board meeting that ended yesterday were mind-numbingly boring, sometimes inevitably so and sometimes not. However, things certainly came to life when Round 9 was discussed.

The Board's decision regarding Round 9 creates some important new options that every CCM that is currently working on a Round 8 proposal needs to think hard about.

First, CCMs that fear they will be unable to complete a solid Round 8 proposal by the July 1 deadline will be able to keep working on the proposal and then to submit it a few months later, under Round 9, using the same proposal form.

Second, CCMs that do succeed in submitting a Round 8 proposal in time but that are then assigned to Category 3 can look forward to receiving much more proactive suggestions from the TRP than in the past regarding what needs to be done to improve the proposal. And those CCMs will then be able to resubmit using the same proposal form, and can hope for approval in April 2009.

And third, extremely ambitious CCMs will have the option to submit one proposal in Round 8 and another one in Round 9. But most will probably choose to apply in just one of those Rounds, not least because Round 10 is likely to come only a few months after Round 9.

One result of all this is that the number of proposals submitted in Round 8 will go down a bit from what it would otherwise have been.

On the other hand, the average quality of the proposals submitted in Rounds 8 and 9 should be higher than in the past, because they will only be submitted when they are ready.

Furthermore, the average dollar value of the proposals submitted in Rounds 8 and 9 will also be higher than in the past, because CCMs will be more willing to take the risk of submitting bold proposals, knowing that if the TRP likes most aspects of their proposal but is hesitant about a few other aspects, it will assign the proposal to Category 3 and will candidly say what are the areas that need fixing.

Finally, the proportion of proposals assigned to Category 4 – outright rejection – will go up. In the past, the TRP appears to have assigning some proposals to Category 3 rather than to the Category 4 that they deserve, presumably out of a desire not to hurt feelings. But under the new approach, it would be unfair to put a proposal in Category 3, with all the subsequent work that that will lead to for the CCM, if the TRP's true feeling is that the proposal is beyond repair.

In the informal view of most Secretariat and Board members at yesterday's Board meeting, the decision regarding Round 9 is just an interim step towards a much more radical surgery to the Fund's grant-making architecture. As was discussed in the Aidspan white paper "Scaling Up to Meet the Need: Overcoming barriers to the development of bold Global Fund-financed programs" that was published last week (see [www.aidspan.org/aidspanpublications](http://www.aidspan.org/aidspanpublications)), grant implementers are having major problems with some aspects of the Fund's current grant architecture. They are asking for an iterative process whereby the TRP lets them know what kinds of change they need to make to their proposal; they now have that. But they are, in effect, also asking for the Fund to move towards having one "single-stream grant" for each country/disease/PR combination, rather like a small business that has a loan from a bank and is then able to apply at any time to have the loan be made larger or last longer, so long as it can prove that it is using the loan for its intended purposes and is making repayments on time.

The Board spent a very long time developing its current grant architecture, consisting of Phase 2 Renewal, Rolling Continuation Channel, and more. But faced with anguished complaints from grant applicants and implementers such as those quoted in the above white paper, the Board and Secretariat appear to be very receptive to the idea of moving towards a considerable simplification of its grant architecture. Yesterday's board decision regarding how to handle Rounds 8 and 9 was an important first step.

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