



Independent observer
of the Global Fund

ROLLING CONTINUATION CHANNEL (RCC)

As announced in previous issues of GFO, in November 2006 the Global Fund Board created a new mechanism – the Rolling Continuation Channel (RCC) – to allow applicants with strongly performing grants to apply for continuing funding for up to an additional six years beyond the original proposal term.

Three waves of RCC funding have now been concluded. (The term “wave” is used to differentiate the RCC from the rounds-based channel of funding.) The Technical Review Panel (TRP) has questioned the value of having a separate RCC stream and has suggested that it be merged with the rounds-based channel of funding.

The purpose of this article is to describe how the RCC works; to present the results of the first three waves; to describe changes made by the Global Fund Board after the first wave; and to report on the observations of the TRP on Wave 3 and on the RCC architecture generally.

How the RCC works

Unlike the rounds-based channel, application for the RCC is by invitation only. Approximately three times per year, all grants that are nearing their expiry date are assessed by the Secretariat to determine if they qualify for possible RCC funding. Countries whose grants have demonstrated “strong performance,” as well as the potential for impact and programmatic sustainability, may be invited by the Secretariat to apply for funding under the RCC. However, approval for such funding is still not guaranteed.

In order to qualify as a “strong performer,” normally the grant must have received a performance rating of “A” in more than half of the reviews conducted in the 18-month period immediately preceding the determination of qualification (known as the “qualification period”). The qualification period is usually between Month 25 (i.e., the start of Year 3) and Month 42 (i.e., the middle of Year 4) of a five-year grant.

Qualification decisions are made by the Secretariat on a quarterly basis. For those who qualify for the RCC, invitations to apply are issued about a year and a half before the scheduled expiry date of the existing grant. The Secretariat provides applicants with a proposal form which is a modified version of the one used for the rounds-based channel. As with the rounds-based channel:

- RCC proposals are reviewed by the TRP;
- The TRP assigns a category rating to each proposal;
- only proposals rated Category 1 or 2 are recommended for funding;
- the Global Fund Board makes the final decisions on funding; and
- the full texts of all proposals are posted on the Global Fund website after funding decisions have been made.

Like the rounds-based channel, proposals rated Category 3 or 4 are not recommended for funding. However, for the RCC, Category 3 has been split into two, as follows:

- Category 3A: (applicable only upon initial submission) is defined as follows: “Not recommended for funding based on technical merit but strongly encouraged to resubmit a revised proposal, taking into account the issues raised by the TRP, for consideration in the next wave of Rolling Continuation Channel proposals.”
- Category 3B: (applicable only upon re-submission) is defined as follows: “Not recommended for funding based on technical merit but encouraged to resubmit through the Rounds-Based Channel following major revision.”

(Under the rounds-based channel, Category 3 is defined simply as “proposals not recommended by the TRP in their present form, but regarding which applicants are encouraged to submit improved applications in future rounds.”)

Like funding under the rounds-based channel, RCC funding is split into two phases; under the RCC, these are called “terms.” The first term is for three years; the second term is for up to three years.

Under the RCC, the objectives and scope of the proposal must not be materially different from the objectives and scope of the original proposal. However, the Global Fund strongly encourages applicants to increase the scale of their proposed programmes, and to update epidemiological information. In addition, the Global Fund acknowledges that changes to the scope of the programmes may be required to respond to changing epidemiology (or to changes in the country context).

CCMs (or Regional Coordinating Mechanisms) that have been invited to apply for funding under the RCC must meet the same six minimum eligibility requirements that all CCMs have to meet under rounds-based funding.

Applicants may not request funding for exactly the same activities and exactly the same scope of coverage through both the rounds-based channel and the RCC.

In the event that there is not enough funding to go around when the Board approves proposals, RCC proposals take precedence over rounds-based proposals.

There is an appeals process under the RCC. Applicants wishing to appeal have two choices. They can

appeal immediately, and if they are not successful, then they can re-submit the proposal under the next round in the rounds-based channel. Alternatively, if they were originally granted Category 3A, they can re-submit the proposal under the RCC, and if they are still rated Category 3 (it would be a Category 3B rating the second time), they can appeal this decision.

Unlike with the rounds-based channel, for proposals submitted under the RCC the TRP may recommend that the Global Fund Board make its approval conditional on the applicant removing a limited set of specific elements from the proposal. (For proposals submitted under the rounds-based channel, the TRP can only recommend that the proposal be accepted or rejected in its entirety. There is an exception to this rule for Round 8; if a proposal contains a separate section on health systems strengthening, the TRP is allowed to recommend the entire proposal; or only the health systems strengthening section; or only the proposal minus the health systems strengthening section.)

Number of grants that qualified for the RCC

Over the three waves that have taken place thus far, 100 existing grants were considered by the Secretariat, of which 30 (30%) were invited to apply for RCC renewal. Of those that were invited to apply, 27 (90%) chose to apply. Of the 27 that applied, 14 (52%) were approved the first time they were considered, and 19 (70%) were approved either the first time they were considered or after re-submission. The three-year budget for the 19 that were approved was \$1,008 million, and the total six-year budget was \$1,977 million, averaging \$104 million per grant.

Further details are as per the following two tables:

Table 1: RCC applications and results

Wave	Number of expiring grants considered	Number and % invited to apply	Number of proposals submitted	Board decision date	Number approved	Total budget, Years 1-3	Total budget, Years 1-6
1	51	11 (22%)	10	Nov 2007	5: (1 HIV, 3 malaria, 1 TB)	\$130 m.	\$200 m.
2	31	11 (36%)	10*	Apr 2008	6: (3 HIV, 2 malaria, 1 TB)	\$365 m.	\$500 m.
3	18	8 (45%)	7+5**	July 2008	3+5***: (4 HIV, 3 malaria, 1 TB)	\$513 m.	\$700 m.
Total	100	30 (30%)	27		19: 8 HIV, 8 malaria, 3 TB)	\$1,008 m.	\$1,977 m.

* This represents nine countries; one applicant submitted a proposal containing two disease elements (which counts as two proposals in the table).

** There were 7 new applications in Wave 3 plus five re-submissions from Wave 1.

*** 3 of the new applications and all five of the Wave 1 re-submissions.

Table 2: RCC results by country

Country	Board Decision	Component	Upper ceiling budget:	
			First 3 Years	Up to 6 Years
Wave 1				
Burundi	Approved: Cat. 2	Malaria	\$20 m.	\$34 m.
China *	Not approved: Cat. 3A	TB	\$40 m.	\$70 m.
Cuba *	Not approved: Cat. 3A	HIV	\$12 m.	\$24 m.
Haiti *	Not approved: Cat. 3A	HIV	\$44 m.	\$85 m.
Honduras	Approved: Cat. 2	HIV	\$25 m.	\$47 m.
Honduras *	Not approved: Cat. 3A	Malaria	\$6 m.	\$10 m.
MCWP *	Not approved: Cat. 3A	Malaria	\$30 m.	\$52 m.
Mongolia	Approved: Cat. 2	TB	\$4 m.	\$8 m.
Rwanda	Approved: Cat. 2	Malaria	\$21 m.	\$50 m.
Tanzania	Approved: Cat. 2	Malaria	\$60 m.	\$68 m.
Wave 2				
El Salvador	Not approved: Cat. 3A	HIV	\$18 m.	\$30 m.
Ethiopia	Not approved: Cat. 3A	Malaria	\$67 m.	\$140 m.
Ghana	Not approved: Cat. 3A	Malaria	\$89 m.	\$160 m.
Malawi	Approved: Cat. 2	HIV	\$173 m.	\$375 m.
Mongolia	Approved: Cat. 2	HIV	\$3 m.	\$6 m.
RMCC	Approved: Cat. 2	Malaria	\$14 m.	\$19 m.
Thailand	Approved: Cat. 2	HIV	\$56 m.	\$98 m.
Philippines	Approved: Cat. 2	TB	\$78 m.	\$174 m.
Philippines	Approved: Cat. 2	Malaria	\$39 m.	\$64 m.
Zambia	Not approved: Cat. 3A	Malaria	\$12 m.	\$18 m.
Wave 3				
Armenia	Not approved: Cat. 3A	HIV	\$12 m.	\$22 m.
Benin	Not approved: Cat. 3A	Malaria	\$101 m.	\$184 m.
Bulgaria	Approved: Cat. 2	HIV	\$28 m.	\$40 m.
Cambodia	Approved: Cat. 2	Malaria	\$20 m.	\$44 m.
China *	Approved: Cat. 2	TB	\$43 m.	\$71 m.
Cuba *	Approved: Cat. 2	HIV	\$10 m.	\$24 m.
El Salvador	Not approved: Cat. 3A	TB	\$3 m.	\$6 m.
Ethiopia	Approved: Cat. 2	HIV	\$343 m.	\$708 m.
Haiti *	Approved: Cat. 2	HIV	\$46 m.	\$90 m.
Honduras *	Approved: Cat. 2	Malaria	\$3 m.	\$6 m.
MCWP *	Approved: Cat. 2	Malaria	\$21 m.	\$39 m.
Tajikistan	Not approved: Cat. 3A	TB	\$4 m.	\$10 m.

* Not approved in Wave 1, but approved upon re-submission in Wave 3

Notes:

1. All applicants were CCMs except MCWP (Multi-Country Western Pacific – Solomon Islands and Vanuatu), and RMCC (Multi-Country Africa/Lubombo), which are RCMs.
2. The amounts shown in Table 3 for Cuba, Honduras, Rwanda and Tanzania are after significant cuts to the budget by the TRP. As indicated above, under the RCC, the TRP is empowered to recommend that some specific elements of the proposal not be funded.

Changes made by the Global Fund Board

When the TRP recommended that only 5 of the 10 proposals submitted in Wave 1 be approved for funding, the Global Fund Board was surprised at what it considered a very low success rate – given that the proposals all originated from applicants whose grants were performing strongly. As a result, the Board modified some of the rules governing RCC proposals. Aidspan reported on the Board's decision in GFO #80 (14 November 2007).

One of the changes was to split Category 3 ratings into two parts – 3A and 3B – as described above. In addition, the Board clarified the role that it expects the TRP to play when reviewing RCC proposals. It removed the requirement that the reviews be “as rigorous as [those] for rounds-based funding.” And it added that the reviews “shall ensure that only technically appropriate interventions are funded, with consideration to the fact that the proposal is intended to ensure continued funding for [strongly performing] expiring grants.” The Board also approved a procedure whereby bridge funding can be provided to applicants that fail to qualify for funding under the RCC and that would experience a funding gap as a direct result of such failure.

Observations by the TRP on Wave 3

In all three waves, the TRP found strengths and weaknesses that were similar to those it has identified in proposals submitted under the rounds-based channel.

In the report on the Wave 3 proposals – entitled “Report of the Technical Review Panel and the Secretariat on Funding Recommendations for Wave 3 Rolling Continuation Channel Proposals,” and available at www.theglobalfund.org/en/apply/current/#rcc3 – the TRP said that applicants had missed an opportunity “to incorporate significant interventions to strengthen underlying systems to improve service delivery and scale up access.” This echoes comments made by the TRP on the earlier waves of RCC funding.

With respect to how well proposals addressed issues of gender equality, the TRP said that “[w]hile some approaches clearly considered the differing needs of men and women, and boys and girls, by including specific interventions for target populations, many were gender neutral and missed opportunities to be gender positive.”

The TRP noted that the success rate for “first time” RCC proposals (at slightly over 50 percent) is disappointing. It suggested that the Secretariat try to promote a better understanding of what is required for a successful RCC proposal. The TRP said that some applicants are not taking “full advantage of the flexibilities of the RCC,” particularly where epidemiological developments have impacted the profile of a disease since the submission of the original proposal, or where potentially dangerous situations of drug resistance may now exist. In the opinion of the TRP, this may require changes not only in scale or scope, but also in indicators and targets. The TRP said that of the four proposals not recommended in Wave 3, three involved situations where a “know your epidemic” approach, and reference to new data, would have strengthened the technical quality of the proposals.

The TRP reiterated an observation that it had made following Wave 2 – i.e., that RCC applicants might be more successful if there were a more thorough review of the original grant, including a technical audit, to validate not only the quality of performance data presented to demonstrate impact, but also the adequacy of strategies employed for the scaling up of interventions.

Observations by the TRP on the RCC architecture

As it did at the end of Wave 2, the TRP expressed concern that the RCC is “not working as initially envisioned.” The TRP said that “[w]hile originally intended as a fast-track and more streamlined channel for the continuation of funding for high performing grants, in practice, there is not [a] substantial difference between Rounds-based funding and the RCC.” The TRP observed that:

- the RCC appears to overburden countries faced with multiple proposal preparations;
- the RCC may have the unintended consequence of confusing CCMs asked to submit new applications (or resubmissions) within a very short time period; and
- this tight schedule may contribute to a number of incomplete or weak proposals received.

Moreover, the TRP noted, the current RCC architecture may create “a fragmented approach to funding whereby countries may receive continued funding for technically sound activities linked to the purpose and scope from previous grants, but may also need to go through Rounds-based channel for materially different approaches.”

The TRP reaffirmed its support for merging the RCC and the rounds-based channel.

Next steps

Invitations to apply for Wave 4 of the RCC have already been issued. Twenty-two expiring grants were considered; applicants for eight of the grants (36 percent) were invited to apply. The deadline for applications was 31 July 2008. The TRP will review proposals in September 2008 and the Board will make its decisions two months later.

The proposal form was significantly revamped for Wave 4. The changes reflect alterations made to the proposal form used for Round 8 in the round-based channel – in particular, the revised strategic focus on health systems strengthening and community systems strengthening, and also the new policies of dual track financing and encouraging gender sensitive responses.

The Global Fund Board has asked the Secretariat to submit a report to the Board’s Portfolio Committee on the implementation of the RCC process, after the completion of Wave 4. The Portfolio Committee will then make recommendations to the Board. This will afford the Board an opportunity to review experiences, and perhaps take into account lessons learned.

For Wave, 5, 17 expiring grants have been considered. Recipients of eight of the grants (47 percent) have been, or will soon be, invited to apply. The deadline for applications is 30 November 2008. The TRP is likely to review proposals in February 2009, and the Board is likely to make its decisions in March 2009, but these dates are only tentative.

Where to obtain more information on the RCC

For an overview of the RCC process, see www.theglobalfund.org/en/apply/rcc/application. The following documentation can be obtained from the Global Fund website at www.theglobalfund.org/en/apply/rcc/documents/documentsfaqs:

- Frequently Asked Questions (FAQ) for the Rolling Continuation Channel
- Sample Guidelines for Rolling Continuation Channel Proposals
- Sample Proposal Form for Rolling Continuation Channel Qualified Applicants

On its website, the Global Fund explains that the sample guidelines and proposal form are for viewing purposes only. When the Fund issues an invitation to apply for funding under the RCC, the invitation is accompanied by guidelines and a proposal form.

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