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The Global Fund

To Fight AIDS, Tuberculosis and Malaria

GF/EDP/08/14
16 October 2008

For Decision

**REPORT OF THE TECHNICAL REVIEW PANEL AND THE SECRETARIAT
ON FUNDING RECOMMENDATIONS FOR
WAVE 4 ROLLING CONTINUATION CHANNEL PROPOSALS**

OUTLINE:

1. This report provides the Technical Review Panel (TRP) funding recommendations on Wave 4 of the Rolling Continuation Channel (RCC) proposals, presents a brief overview of the process followed, observations made and lessons learned by the TRP and the Secretariat.
2. Given the proximity in time to the TRP review of Round 8 proposals and concurrent delivery of the two reports, common lessons learned are described more completely in the Report on Round 8.

1. From 17 to 19 September, ten TRP members, including the TRP Chair (Peter Godfrey-Faussett), met in Montreux, Switzerland, to review ten RCC Wave 4 proposals.
2. Of the ten proposals received, two were resubmissions from Wave 2, both of which are recommended for funding.
3. The TRP also recommends three of the eight new proposals as 'Recommended Category 2 Proposals' (36 percent success rate). The five new proposals not recommended for funding are categorized as 'Category 3A' and are strongly encouraged to resubmit an amended version of the same proposal in the next available RCC Wave.
4. Together, the TRP's recommendations on re-submission and new proposals¹ represent an overall rating of 50 percent. The full detail of TRP recommendations are set out in Annex 2 to this paper, in the categories in which the proposals are recommended to the Board.
5. The total upper ceiling for all recommended Wave 4 RCC proposals is US\$ 229 million for three years and US\$ 509 million for six years. These figures represent 48 percent of each of the three year and six year total funds requested.
6. The TRP members reviewing proposals in this Wave 4 confirm yet again concern that the Rolling Continuation Channel has not proven to be an effective funding channel, largely due to the difficulties created for applicants, for the review panel and for the Secretariat by the existence of multiple grants and proposals at different stages of the preparation, application and funding cycle.
7. Also problematic, and discussed in part 5 of this report, is the ongoing issue of weaker RCC proposals continuing to demonstrate the relatively common weaknesses of:
 - i. An absence of linkages, or adjustments, to earlier interventions based on latest epidemiological data; and/or
 - ii. Lack of clarity regarding the complementarity of activities underway with existing grants; and/or
 - iii. A missed opportunity to include interventions that would strengthen the underlying health system to improve outcomes and impact for the disease, and beyond.
8. These weaknesses present particular barriers to RCC proposals being recommended for funding by the TRP, and result in the relatively high number of 'new' RCC proposals not being recommended.
9. The TRP presents its funding recommendations in the form of the decision point below.

Decision Point:

1. ***The Board approves, subject to paragraph 2 below, the Rolling Continuation Channel proposals recommended for funding by the Technical Review Panel (TRP) and listed in Annex 2 to this report. The Board's approval is for the funding up to the initial three years of each such proposal (indicated as "Total 3 Years" in Annex 2), and is made with the clear understanding that the grant amounts requested are upper ceilings subject to TRP clarifications and grant negotiations rather than final approved grant amounts.***

¹ If not stated otherwise, "Wave 4 RCC proposals" refers to re-submission Wave 2 and new Wave 4 proposals.

2. ***The applicants whose proposals are recommended for funding as 'Recommended Category 2 proposals' shall:***
 - i. ***provide an initial detailed written response to the requested TRP clarifications and adjustments by no later than four weeks after notification in writing by the Secretariat to the applicant of the Board's decision; and***
 - ii. ***conclude the TRP clarifications process, as indicated by the written approval of the Chair and Vice Chair of the TRP, not later than two months from the Secretariat's receipt of the applicant's initial detailed response to the issues raised for clarification and/or adjustment.***
3. ***The Board declines to approve for funding those proposals categorized by the TRP as 'Recommended Category 3A' as indicated in Annex 2, although such applicants are strongly encouraged to resubmit a revised proposal, taking into account the issues raised by the TRP, for consideration in the next available wave of Rolling Continuation Channel proposals.***

This decision does not have material budgetary implications.

PART 2: BACKGROUND

1. This report presents the Technical Review Panel's (TRP) funding recommendations for Wave 4 RCC and lessons learned. It should be read in conjunction with the following Annexes:

Annex 1: List of proposals reviewed by the TRP, in the category in which they are recommended to the Board

Annex 2: List of TRP reviewers for the Wave 4 RCC TRP meeting

Annex 3: TRP Review Form for each eligible disease proposal reviewed and full text of all Proposals

2. Annexes 1 and 2 are provided with this report. Annex 3 is provided on an electronic and confidential basis as supplementary documents to Board members.

3. Subject to the Board's decision on funding (to be undertaken through an electronic vote), the material within Annex 3 will be disclosed on the Global Fund's website as soon as possible after the Board decision on funding. The TRP Review Forms, consistent with Board policy, will be provided directly to the original applicant.

PART 3: TRP RCC WAVE 4 RECOMMENDATIONS TO THE BOARD

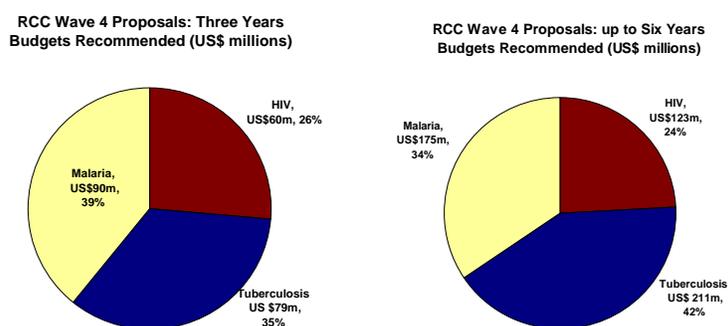
1. Annex 1 presents the list of proposals reviewed in Wave 4 of the RCC and the recommendations made by the TRP following their review for technical merit. The TRP recommends five proposals for approval. The maximum upper ceiling recommended by the TRP to the Board for approval for these proposals is:

- i. **US\$ 229 million for three years; and**
- ii. **US\$ 509 million for up to six years.**

This represents 48 percent of the total upper ceiling of funds requested for the first three years and for the total six years by the ten Wave 4 RCC applicants.

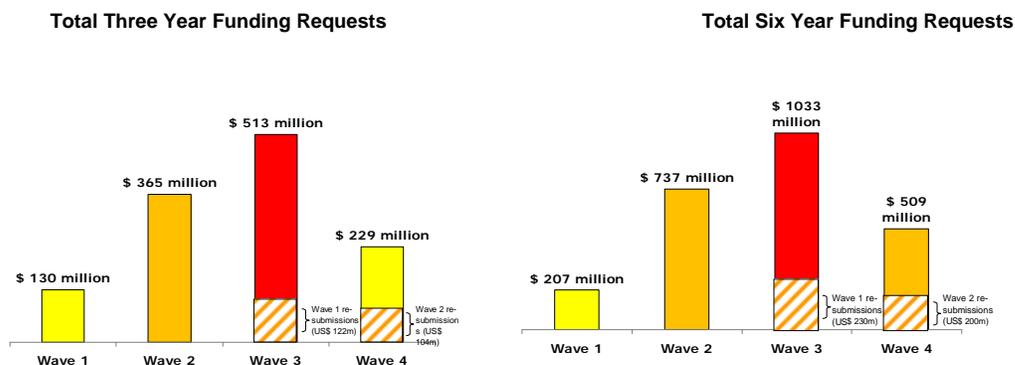
2. Figure 1 below summarizes the breakdown of proposals recommended by the TRP.

Figure 1 – Wave 4 RCC TRP recommendations



3. Figure 2 below provides a comparison of the four Waves in terms of numbers of proposals recommended and the total maximum upper ceiling funding for both Phase 1 (three years) and the lifetime of the proposal (six years).

Figure 2 – TRP recommendations Wave 1, 2, and 3 compared to Wave 4 by total three and six year requests



4. Table 1 below provides an overview of the number of components reviewed, the approval rates by disease component, and the total amounts requested.

Table 1 – Overview of Wave 4 recommendations

Disease Proposal	Number Approved	Number Reviewed	Approval Rate	3 Year Upper Ceiling Budget Recommended	6 Year Upper Ceiling Budget Recommended
HIV	2	5	40%	US\$ 60,2 m	US\$ 123,2 m
TB	2	3	67%	US\$ 79,2 m	US\$ 210,8 m
Malaria	1	2	50%	US\$ 89,8 m	US\$ 175,4 m
TOTAL	5	10	50%	US\$ 229,2 m	US\$ 509,4 m

PART 4: SECRETARIAT ROLE IN RCC WAVE 4

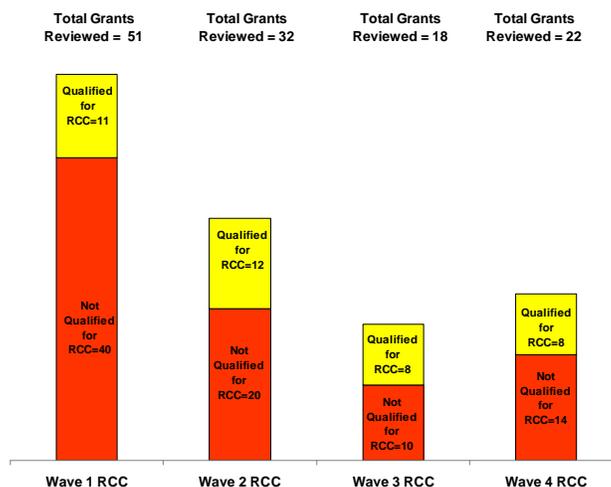
RCC qualification, invitations and closing date

1. As demonstrated by Figure 3 below, eight of a possible 22 grants (36 percent) expiring between January and June 2009 were invited by the Secretariat to apply under Wave 4, with a closing date of 30 July 2008. Of the qualifying new applicants, all eight chose to apply. Two countries with the option to resubmit their proposals from Wave 2 did not do so. All ten proposals considered in Wave 4 were submitted by the closing date of 30 July 2008, three and a half months after receiving notification of eligibility to apply.

Proposal screening for Eligibility and Completeness

2. The Secretariat undertook the usual RCC proposal screening process to ensure that each proposal was complete² and/or eligible. Following a review of supporting documents, each new applicant was determined compliant with the minimum requirements for applicant eligibility by the Secretariat's Screening Review Panel. All ten Wave 4 RCC proposals were forwarded to the TRP for review.

Figure 3 – Determination of Qualification for RCC Waves 1, 2 3, and 4



PART 5: PROPOSAL REVIEW PROCESS

TRP Membership

1. As presented in Annex 2 to this report, ten TRP reviewers met in Montreux, Switzerland over 17 to 19 September to review eligible proposals in accordance with the TRP Terms of Reference. The panel represented a mix of experienced TRP or former TRP members, covering the three diseases as well as cross-cutting issues.

TRP Review of RCC Wave 4 Proposals

2. As customary, the TRP members formed two sub-groups each comprised of five TRP members. Proposals allocated to these sub-groups were reviewed for technical merit by two disease-specific experts and two cross-cutting experts. The sub-groups met to review a total of five disease proposals on each of the two days of the TRP meeting.

3. An afternoon plenary session was held each day to allow the wider group time to discuss the proposals reviewed on that day. Following a short presentation of the proposal by one of the reviewers, the TRP members deliberated and then determined the final grading of the proposal

² The two re-submission proposals were reviewed for completeness only as there were no circumstances drawn to the Secretariat's attention to warrant a reversal of the determination of compliance with the minimum requirements for eligibility during the Wave 2 proposal review process.

and wording of the document entitled 'TRP Rolling Continuation Channel Review Form' (as set out in Annex 3 to this report).

4. Proposals could be recommended by the TRP in one of the five categories identified in the TRP's Terms of Reference³. All decisions of the TRP were achieved by consensus:

5. The TRP reviewed the ten Wave 4 RCC proposals to ensure that only technically sound proposals are recommended for Board approval. Consistent with the Rounds-based channel, the entire review process, including the review on the final day, took no account of the availability of funds.

PART 6: TRP OBSERVATIONS FROM WAVE 4 RCC PROPOSAL REVIEW

TRP General Feedback on the Wave 4 Proposals

1. As seen in Table 2 below, the cumulative success rate across RCC Waves 1 to 4 for 'first time' RCC applications drops to 49 percent (or 17 out of 35) after this last wave, signifying that substantial improvements are still required to strengthen initial RCC applications.

Table 2 – Overview of RCC Cumulative Approval Rates

RCC Approval Ratings by Wave and Cumulatively							
RCC Wave	New Proposals		Resubmissions		Approval rate by Wave	Cumulative approval rate (new proposals)	Cumulative approval rate (including resubmissions)
	Number Reviewed	Number Recommended	Number Reviewed	Number Recommended			
Wave 1	10	5	n/a	n/a	50%	50%	n/a
Wave 2	10	6			60%	55%	
Wave 3	7	3	5	5	67%	52%	59%
Wave 4	8	3	2	2	50%	49%	57%

2. Again, the 100 percent success rate for resubmissions reinforces the benefit of the re-submission process between an initial TRP review and a subsequent revision to address clearly the weaknesses cited.

3. In general, the observations on the Wave 4 proposals reiterate findings from the previous three Waves of RCC review. These include:

Key strengths in RCC Wave 4 proposals recommended for funding

- Comprehensive documentation of updated epidemiological data;
- Assessment of overall health system weaknesses and gap analysis;
- Clear articulation of a national strategy and/or evidence of national political commitment;
- Gender issues are presented as a cross-cutting issue;
- Sound and coherent strategy supported by clear work plan linked to a detailed budget and performance framework (using the same objectives throughout);
- Inclusion of relevant performance indicators based on sound data;
- Efforts to consolidate multiple existing grants and demonstrate efficiency gains;
- Broad participation of stakeholders in the planning and implementation of interventions;
- Scaling up for universal coverage for all eligible individuals in appropriate settings;

³ Decision Point GF/B16/DP8

- Presentation of lessons learned and interventions that build on prior experience from implementing the original or subsequent grants;
- Clear presentation of responsibilities among implementers, Principal Recipients and Sub-recipients.

Key weaknesses in RCC Wave 4 proposals not recommended for funding

- Presentation of new activities without a sufficiently supportive rationale to demonstrate that the activities will meaningfully contribute to improved outcomes;
- For continuing activities, no adjustments to earlier interventions based on latest epidemiological findings and changes in internationally accepted best practices; for example, inclusion of general outreach approaches when country faces a concentrated epidemic requiring targeted interventions for most at risk populations;
- Unclear complementarity with activities underway with existing grants or proposed in a recent Rounds-based submission;
- Broad scale behavior change communication (BCC) interventions lack supporting evidence on their efficacy and contribution to impact;
- Failure to demonstrate how national capacities are developed to contribute towards improved programming sustainability;
- Absence of outcome indicators to measure qualitative performance;
- Substantial budget requests for human resources without sufficient detail on the national human resource strategy to provide a robust framework for the appropriateness of the funding request; and
- Budget requests that miss critical and detailed information regarding unit costs.

Lessons Learned from RCC Wave 4 Proposal Review

Take up of new policy initiatives

4. In Wave 4, applicants submitted proposals using a revised RCC proposal form consistent with changes introduced in Round 8. The form includes the Global Fund's revised strategic focus on health systems strengthening (HSS) and community systems strengthening, and establishes new policies encouraging dual track financing and gender sensitive responses.

5. Overall, take up of these policy initiatives was not well demonstrated by the eight new proposals submitted for funding. Specifically:

- i. None of the eight new RCC Wave 4 proposals submitted requests for **cross-cutting HSS** funding via the optional HSS 'section 4B' distinct part. Despite guidance to countries that RCC submissions should focus on scaling up of previous successful interventions, TRP members noted the absence of HSS proposals and suggested a further analysis by the Secretariat. It was recommended that clearer messages be communicated to countries that RCC submissions should take into account new evidence and innovative approaches not only for disease-specific intervention, but also in relation to health systems strengthening;
- ii. More often than not⁴, proposals did not present strong **gender** focused responses to the disease, perhaps suggesting that countries require increased support and possibly technical assistance to strengthen programming according to gender equity issues;

⁴ As seen in the TRP's review of Round 8 proposals, there were however a small number of RCC Wave 4 proposals recommended for funding by the where the gender sensitivity of the proposal was identified as a key strength.

- iii. Few proposals included efforts to **strengthen the capacity of community organizations** as a core pillar of efforts to scale up service delivery and/or improve the quality of service at the community level.

6. The TRP believes that this may be more to do with the perception that the RCC proposals process is delivering continued funding to an existing project, rather than, more appropriately, providing an opportunity for applicants to increase the scale of program coverage, and scope/range of interventions to respond more effectively to the evolving nature of the epidemic.

7. In this context, the TRP makes the following additional observations on **scope and scale changes** in RCC Wave 4 proposals:

- i. The TRP continues to be disappointed in the missed opportunities or weak attempts by applicants to revisit the scope of interventions approved in the original grant. While countries seem to understand that increases in scale are expected in an RCC application, the flexibility permitted in changes of 'scope' is still not appreciated; and
- ii. Invited applicants may be under the false impression that high-performing applicants have less to demonstrate in terms of lessons learned or providing recent assessments of the epidemiological situation in the country. TRP members fault, in part, the guidance regarding flexibility on scope changes as poorly defined and insufficient. Countries need to understand that any changes in scope should be accompanied by sufficient degree of documentation and justification to enable the TRP to evaluate these new components fully.

Performance framework

8. In order to be eligible for an RCC application, applicants have passed through the Global Fund's Qualification Process which assesses the performance of the expiring grant. As demonstrated by figure 3 of this report, around one third of expiring grants are now qualifying for RCC application.

9. The TRP notes that many RCC applications are based on grants that have received a majority of B1 ratings but qualify because they have demonstrated impact. The evidence for such impact and the Secretariat's attribution of improvements in outcome and impact indicators to the expiring grant, will always be an important and difficult judgment. Nonetheless, the TRP would encourage applicants to describe very clearly in their proposals what they have achieved with the funding provided under the expiring grant and what lessons they have learned during its implementation. As with Rounds-based applications, the TRP still finds that many applicants have not developed clearly measurable indicators of impact and outcome that allow rational targets to be set for the performance framework.

Disease specific issue - Behavior Change Communication

10. Regarding BCC interventions, TRP members observe that proposed BCC interventions are often not well articulated and lack supporting evidence to confirm efficacy and overall value for money. In addition, some interventions (those that rely on TV, billboards, and radio) have become expensive and hard to justify for the most vulnerable groups targeted given the relatively low level of access that these groups have to such media.

RCC meeting procedures compared to the Rounds-based channel

11. The TRP members reflected on the smaller scale of the review process for RCC waves compared to the two-week review meeting conducted for the Rounds-based channel. All members of this RCC Wave found it more satisfying to work with a smaller plenary, which allows for a more substantive discussion. The TRP will consider how these model features might be adopted in future Rounds-based reviews, by introducing, for example, parallel reviews by disease proposals (already trialed in the Round 8 meeting) and/or rotating TRP members during the Rounds-based review so that not all members be required to commit for the full duration of the meeting.

RCC architecture and multiple applications

12. TRP members continue to raise questions on the merits of the RCC as an additional funding stream. TRP members find it increasingly challenging to assess the extent to which RCC submissions overlap or complement the interventions in previously approved proposals, and build upon recent implementation progress (or challenges) as well as those that are to be launched under recently approved proposals. A more fundamental concern is that such multiple, overlapping applications disrupt a country's natural planning and prioritization process and tend to reduce the Global Fund processes to a complicated game with high stakes.

13. The current funding architecture does not deter countries to use opportunities to apply through any and all funding windows. Some countries prepare an RCC proposal and apply for the same disease in the next Round, as they do not know whether one or the other might be approved.

14. Given the complexity for countries developing multiple proposals and the persistent issues with proposals failing to ensure complementarity with Global Fund or other donor supported activities underway, the TRP discussed how a new funding architecture merging RCC and the Rounds-based channel will move towards more comprehensive funding approaches to promote single proposals (National Strategy Applications), consolidate activities and facilitate the introduction of changes in scope and scale in response to sound epidemiological research findings.

List of proposals reviewed by the Technical Review Panel, in the category in which they are recommended to the Board

No.	Source	Country / Economy	World Bank Income Classification	WHO Region	TGF Cluster	Component	Upper ceiling for funding					
							Year 1	Year 2	Year 3	3 Years (Phase 1)	Total up to 6 Years (Lifetime)	
Category 2 - USD							\$50,003,386	\$54,763,318	\$52,331,861	\$157,098,565	\$309,945,305	
1	CCM	Dominican Republic	Lower-middle income	AMRO	LAC	HIV	\$14,223,788	\$15,390,665	\$16,155,935	\$45,770,388	\$98,516,291	
2	CCM	El Salvador	Lower-middle income	AMRO	LAC	HIV	\$4,717,813	\$4,428,047	\$5,252,171	\$14,398,031	\$24,678,979	
3	CCM	Ghana	Low income	AFRO	WCA	Malaria	\$27,599,486	\$32,977,902	\$29,186,855	\$89,764,243	\$175,398,885	
4	CCM	Nicaragua	Lower-middle income	AMRO	LAC	Tuberculosis	\$3,462,299	\$1,966,704	\$1,736,900	\$7,165,903	\$11,351,150	
Category 2 - EURO							€11,943,281	€19,953,860	€21,597,362	€53,494,503	€147,989,790	
Category 2 - USD Equivalent							\$16,096,066	\$26,891,995	\$29,106,957	\$72,095,018	\$199,447,156	
5	CCM	India	Low income	SEARO	SWA	Tuberculosis	€11,943,281	€19,953,860	€21,597,362	€53,494,503	€147,989,790	
Recommended Proposals							Totals	\$66,099,452	\$81,655,313	\$81,438,818	\$229,193,583	\$509,392,461
Category 3A - USD							\$15,694,367	\$20,363,592	\$20,734,195	\$56,792,154	\$119,496,735	
6	CCM	Bangladesh	Low income	SEARO	SWA	HIV	\$8,261,321	\$13,321,526	\$14,530,801	\$36,113,648	\$80,817,375	
7	CCM	Nepal	Low income	SEARO	SWA	Malaria	\$5,439,170	\$5,040,497	\$5,168,580	\$15,648,247	\$30,955,602	
8	CCM	Nicaragua	Lower-middle income	AMRO	LAC	Malaria	\$1,993,876	\$2,001,569	\$1,034,814	\$5,030,259	\$7,723,758	
Category 3A - EURO							€43,508,960	€48,162,361	€51,521,461	€143,192,782	€318,346,054	
Category 3A - USD Equivalent							\$58,637,412	\$64,908,842	\$69,435,931	\$192,982,186	\$429,037,809	
9	CCM	Georgia	Lower-middle income	EURO	EECA	HIV	€6,877,947	€6,385,292	€6,888,763	€20,152,002	€41,940,091	
10	CCM	India	Low income	SEARO	SWA	HIV	€36,631,013	€41,777,069	€44,632,698	€123,040,780	€276,405,963	
Not Recommended Proposals							Totals	\$74,331,779	\$85,272,434	\$90,170,126	\$249,774,340	\$548,534,544

The Global Fund Clusters

SWA South West Asia
LAC Latin America & The Caribbean
WCA West and Central Africa
EECA Easter Europe and Central Asia

Proposals in EURO = UN official exchange rate effective from 8 October 2008 = 1USD = 0.742 EURO

History of RCC Wave 4 TRP Reviewer service as a TRP member

No.	Surname	First name	Expertize	Gender	Nationality	Rounds								RCC Waves					
						R1	R2	R3	R4	R5	R6	R7	R8	W1	W2	W3			
	1	Godfrey-Faussett	Peter (Chair)	HIV/AIDS and TB	M	UK													
Cross-cutters	2	Brandrup-Lukanow	Assia	Cross cutting	F	Germany													
	3	Nuyens	Yvo	Cross cutting	M	Belgium													
	4	Simmonds	Stephanie	Cross cutting	F	UK													
	5	Toole	Michael	Cross cutting and HIV	M	Australia													
	6	Alilio	Martin S.	Cross cutting and malaria	M	Tanzania													
	7	Boillot	Francois	Cross cutting and TB	M	France													
	8	Hoos	David	HIV	M	USA													
HIV	9	Tregnago-Barcellos	Nemora	HIV	F	Brazil													
M	10	Chimumbwa	John	Malaria	M	Zambia													

Current TRP Members
Former TRP members

Rounds/waves served
Rounds/waves not served