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**The Global Fund**

To Fight AIDS, Tuberculosis and Malaria

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GF/EDP/09/05  
Revision 1<sup>1</sup>  
18 February 2009

For Decision

**REPORT OF THE TECHNICAL REVIEW PANEL AND THE SECRETARIAT  
ON FUNDING RECOMMENDATIONS FOR  
WAVE 5 ROLLING CONTINUATION CHANNEL PROPOSALS**

**OUTLINE:**

This report provides the Technical Review Panel (TRP) funding recommendations on Wave 5 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.

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<sup>1</sup> Revision 1 makes a correction to Annex 1 regarding the disease components listed for El Salvador and Tajikistan. Changes from the original version of this report are identified by *shaded italics* consistent with prior reports.

1. Thirteen TRP members, including the TRP Chair (Peter Godfrey-Faussett) and Vice Chair (Bola Oleyedun) met in Geneva, Switzerland from 2 to 4 February to review ten RCC Wave 5 proposals.
2. Four of the ten proposals reviewed are resubmissions from Wave 3, three of which are recommended for funding. The one resubmitted proposal not recommended for funding is categorized as 'Category 3B' and is strongly encouraged to resubmit through the Rounds-Based Channel following major revision.
3. Of the six new proposals received, the TRP recommends one as 'Recommended Category 1 Proposals' and two as 'Recommended Category 2 Proposals'. The three 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 proposals<sup>2</sup> represent an overall success rate of 60 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 5 RCC proposals is US\$ 322 million for three years and US\$ 705 million for six years. These figures represent 70 percent and 72 percent respectively of the three year and six year total funds requested in this wave.
6. As previously expressed, the TRP members confirm yet again the challenge created by multiple funding windows and multiple grants at different stages of implementation and continue to question the effectiveness of the Rolling Continuation Channel.
7. As discussed in part 6 of this report, the TRP are particularly concerned to ensure that:
  - i. proposed activities are not duplicative (and therefore prove the additionality of Global Fund resources);
  - ii. any new approaches introduced are technically feasible, cost-effective, and constructed to fit within the overall national framework for the disease;
  - iii. opportunities are not missed to adopt gender sensitive responses, strengthen fundamental aspects of health systems, and build sufficient capacity at the community level.
8. The TRP presents its funding recommendations in the form of the decision point below.

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<sup>2</sup> If not stated otherwise, "Wave 5 RCC proposals" refers to re-submission Wave 3 and new Wave 5 proposals.

**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) as 'Category 1' and 'Category 2' proposals which are 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.*
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 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.*
4. *The Board declines to approve for funding the proposal categorized by the TRP as 'Recommended Category 3B' as indicated in Annex 2, although the applicant is strongly encouraged to resubmit the proposal through the Rounds-Based Channel following major revision.*

**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 5 RCC and related 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 5 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 proposals within Annex 3 will be posted 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 5 RECOMMENDATIONS TO THE BOARD**

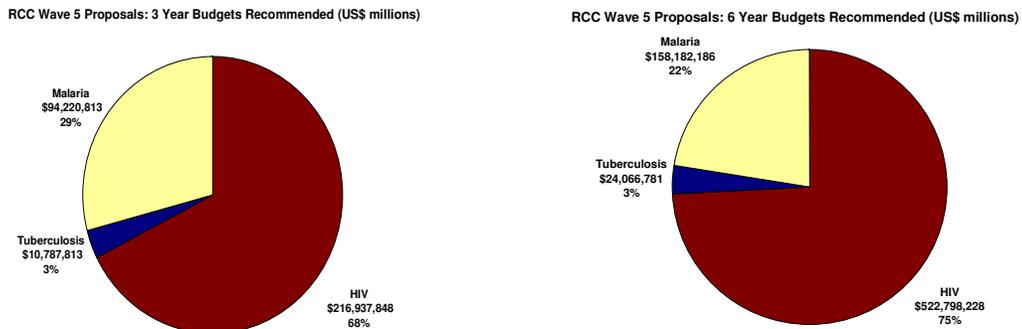
1. Annex 1 presents the list of proposals reviewed in Wave 5 of the RCC and the recommendations made by the TRP following their review for technical merit. The TRP recommends six proposals for approval. The maximum upper ceiling recommended by the TRP to the Board for approval for these proposals is:

- i. US\$ 322 million for three years; and
- ii. US\$ 705 million for up to six years.

This represents 70 percent and 72 percent respectively of the total upper ceiling of funds requested for the first three years and for the total six years by the ten Wave 5 RCC applicants.

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

*Figure 1 - Wave 5 RCC TRP recommendations*



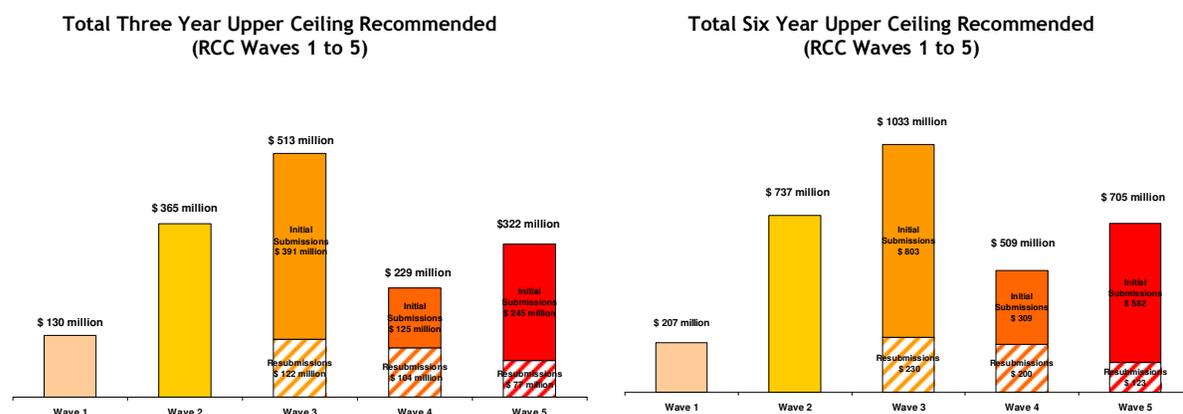
3. The TRP recommends that for three of the RCC Wave 5 proposals (including two resubmissions) the Board approval be conditional upon removal of a limited set of specific elements. The elements recommended to be removed represent, relative to the lifetime budget request;

- I. For Dominican Republic’s tuberculosis proposal - 39 percent;
- II. For Benin’s Malaria proposal - 19 percent; and
- III. For Tajikistan’s HIV proposal - 5 percent.

4. In addition one proposal (China) is expected to reduce its budget by approximately US\$ 61 million, the value of the R8 award (equivalent to 12 percent of the lifetime budget request) and two proposals are recommended for an independent budget review which may be expected to reduce these budgets further.

5. Figure 2 below provides a comparison of the five 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, 3 and 4 compared to Wave 5 by total three and six year requests**



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

**Table 1 - Overview of Wave 5 recommendations**

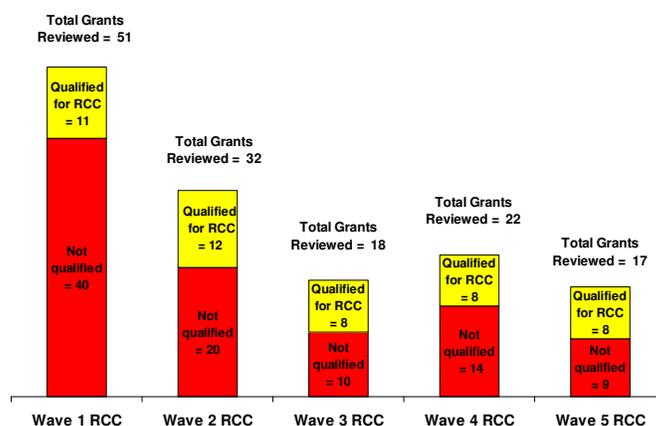
Disease Proposal	Number Reviewed	Number Approved	Approval Rate	3 Year Upper Ceiling Budget Recommended	6 Year Upper Ceiling Budget Recommended
HIV	4	2	50%	US\$ 216.9 m	US\$ 522.8 m
TB	3	2	67%	US\$ 10.8 m	US\$ 24.1 m
Malaria	3	2	67%	US\$ 94.2 m	US\$ 158.2 m
<b>TOTAL</b>	<b>10</b>	<b>6</b>	<b>60%</b>	<b>US\$ 321.9 m</b>	<b>US\$ 705.1 m</b>

## PART 4: SECRETARIAT ROLE IN RCC WAVE 5

### RCC qualification, invitations and closing date

1. As demonstrated by Figure 3 below, eight of a possible 17 grants (47 percent) expiring between July and December 2009 were invited by the Secretariat to apply under Wave 5, with a closing date of 30 November 2008. Of the eight invitees, two countries, Bangladesh (Tuberculosis) and Somalia (Tuberculosis), chose not to apply.
2. All four countries with the option to resubmit their proposals from Wave 3 chose to resubmit in Wave 5. The four resubmissions considered in Wave 5 were submitted by the closing date of 31 October 2008.

**Figure 3 - Determination of Qualification for RCC Waves 1, 2 3, 4 and 5**



### Proposal screening for Eligibility and Completeness

3. The Secretariat undertook the usual RCC proposal screening process to ensure that each proposal was complete<sup>3</sup> and 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 5 RCC proposals were forwarded to the TRP for review.

## PART 5: PROPOSAL REVIEW PROCESS

### TRP Membership

1. In accordance with the TRP Terms of Reference, thirteen TRP reviewers as presented in Annex 2 to this report, met in Geneva, Switzerland over 2 to 4 February to review

<sup>3</sup> The four resubmission 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 3 proposal review process.

eligible proposals. 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 5 Proposals

2. Each RCC Wave 5 proposal was reviewed by a sub-group of four TRP members. Proposals allocated to these sub-groups were reviewed for technical merit by two disease-specific experts and two cross-cutting experts.
3. Each day all TRP members met in plenary session to discuss the proposals reviewed on that day and to deliberate on and determine the final grading of the proposal and the documentation of their recommendation in the '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 Reference<sup>4</sup>. All decisions of the TRP were achieved by consensus.
5. The ten Wave 5 RCC proposals were reviewed to ensure that only technically sound proposals are recommended for Board approval in line with the review criteria specified in Attachment 1 of the TRP Terms of Reference and Part A.3 of RCC Guidelines. 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 5 RCC PROPOSAL REVIEW

### TRP General Feedback on the Wave 5 Proposals

1. After this last wave, the cumulative success rate across RCC Waves 1 to 5 for 'first time' RCC applications, as presented in Table 2 below, remains at 49 percent (or 20 out of 41), suggesting yet again that initial RCC proposals continue to demonstrate significant weaknesses.

**Table 2 - Overview of RCC Cumulative Approval Rates**

RCC Success Rates by Wave and Cumulatively								
RCC Wave	New proposals			Resubmissions			Success rate by wave	Cumulative success rate (including resubmissions)
	Number reviewed	Number recommended	Cumulative success rate	Number reviewed	Number recommended	Cumulative success rate		
Wave 1	10	5	50%	n/a	n/a	n/a	50%	n/a
Wave 2	10	6	55%				60%	
Wave 3	7	3	52%	5	5	100%	67%	19 of 32: 59%
Wave 4	8	3	49%	2	2	100%	50%	24 of 42: 57%
Wave 5	6	3	49%	4	3	91%	60%	30 of 52: 58%

2. For the first time, a resubmitted proposal was not recommended for funding. This does not negate the relative advantage of the re-submission process which has so far led to the approval of 10 out of 11 resubmitted proposals.
3. The following general observations were made:

<sup>4</sup> Decision Point GF/B16/DP8

### ***Key strengths in RCC Wave 5 proposals recommended for funding***

- Proposed interventions clearly build on the achievements of the expiring grant and demonstrate additionality and complementarity to existing Global Fund and other funding as clearly illustrated through presentation of a matrix;
- Clear focus on vulnerable or most-at-risk populations;
- Proposed interventions fit within the country's overall health policy, development framework and are consistent with international guidelines and best practice;
- The proposed activities are developed from a sound assessment of country-specific and epidemiological context;
- Performance frameworks representing robust plans for monitoring and evaluation of activity outputs, outcome and impact of interventions;
- Appropriate level of detail in the financial gap analysis and needs' assessment;
- Budget request includes clear unit costs and assumptions;
- Proposal development based on a broad participation of stakeholders;
- Proposed Principal Recipient (PR) has a proven track record for implementation; and
- Demonstrated commitment from the national government, not only financially, but in terms of forward-looking strategic plans.

### ***Key weaknesses in RCC Wave 5 proposals not recommended for funding***

- Proposal objectives lack adequate level of detail, such as information on responsibilities for implementing the pertinent activities under them;
- Lack of detail regarding the synergies among the proposed activities and those currently supported by the Global Fund, the national government, or other donor resources;
- Coordination of proposed tuberculosis/HIV activities left undefined or not included;
- Inconsistencies among different budget tables within the proposal, as well as large budget items that are insufficiently justified;
- Unclear expenses such as overhead, management fees, planning and administration;
- Weak definitions of the relationships and coordination efforts among Principal Recipients, Sub-recipients and/or other implementing bodies;
- Inappropriate or inadequate disaggregation of key targets and performance indicators;

### **Lessons Learned from RCC Wave 5 Proposal Review**

#### ***RCC Proposal Form and presentation of existing Global Fund activities***

4. Given the complexities of a country's grant portfolio for any particular disease and the diverse resources from government, the Global Fund, and other donors, the TRP continues to find it challenging to assess the additionality of funding requests. The Proposal Form does not adequately address this issue and it is recommended that a future revision should require applicants to explain how existing grants relate to each other. The suggestion was made to include a logical framework or matrix to be completed as part of the proposal form to illustrate how grants might inter-relate.

5. In addition, the TRP requests a more consistent and clear presentation of aspects included in the proposal which are a continuation (or expansion) of on-going activities, and those which represent completely new program elements. Lessons learned and experience gained from previous or on-going activities need to be incorporated into the

proposal for renewed funding. For new interventions, explanations must be provided as to how these fit into the overall national disease strategy and contribute to program impact.

6. This is particularly relevant to the RCC proposals to provide clarity on scope and scale changes, but it would be advisable for this to appear in Rounds-based proposals to ensure Global Fund resources are not duplicative, nor encouraging “project-based” approaches, but rather contributing to a sustainable scaling up of a country’s national prevention and treatment plan.

### ***Grant Consolidation***

7. Grant consolidation took on special attention in this RCC Wave as the TRP reviewed and recommended for funding the first case of an “up front” consolidated proposal requesting additional funds under previously approved activities so that the entire package of interventions would receive funding over the six year RCC term. The Secretariat’s RCC Qualification Panel found this applicant’s rationale for consolidating grants through RCC convincing and recommended the CCM be permitted to submit a consolidated RCC application based on performance of existing grants.

8. The TRP embraces this approach and finds it particularly well suited to the Global Fund’s current thinking to introduce a single-stream of funding, seek efficiency gains, and develop options to access funding through a national strategy application process. In addition, consolidating grants streamlines the reporting and administrative processes, freeing recipients to focus more on programmatic deliverables.

9. As the Secretariat pursues this approach to consolidating grants at the time of application, due consideration must be given to how the proposal form can best address the information needs of the TRP in their review.

### ***Independent Budget Reviews***

10. Upon review of two of the six proposals recommended for funding in this Wave, the TRP has requested that the Secretariat obtain an independent financial review of the funding request as part of the clarification process. The TRP members discussed the merits of independent financial review for those requests that are particularly large and complex. One such review has now been completed as part of the Round 8 clarification process and the TRP reviewers reported this additional step as very informative and useful. It was suggested that this practice be extended more widely, not only for all very large budgets but also for those that the TRP “flags” as complicated or where some costs, such as management and overhead costs are difficult to interpret.

11. Given the resource constrained environment, such reviews clearly support the recent Board decision GF/B18/DP13 requesting that the Secretariat work with CCMs and Principal Recipients to find efficiency savings of 10 percent for all approved RCC proposals.

12. Savings related to the quantification and pricing of commodities are likely to arise from such reviews. Overhead and management costs were seen as other areas that could benefit from additional review.

13. Questions remain as to when the review should happen and whether it is at all feasible for this step to be completed in advance of a TRP review or whether the recent practice remains most practical as the technical review allows the TRP to “flag” those requests

that require additional scrutiny. It was agreed that it would not make sense to require this across all requests, but to maintain flexibility on a case-by-case basis, and to focus above all on the large (over US \$100 million) proposals.

14. However, given the likelihood that these reviews will be requested more frequently, the TRP has recommended that the Secretariat include language in the proposal form and guidelines to inform applicants that budgets submitted are subject to an independent review for accuracy and reasonableness and should include ample detail regarding the budget assumptions upon which it is based.

### ***New Policies and Strategic Directions***

15. This Wave 5 represented the second RCC Wave to use the revised proposal form based on strategies encouraging both health systems strengthening (HSS), and community systems strengthening activities.

16. However, as in Wave 4, none of the new applicants chose to include the 'section 4B' distinct part for cross-cutting HSS funding. In fact, proposals including HSS activities as part of the disease component did not always convince TRP reviewers that the activities were truly cross-cutting in nature as the proposal failed to articulate how HSS interventions contributed to the strengthening of other parts of the health system. Only in a few cases did the TRP review commend applicants on the incorporation of clear HSS activities.

17. On the other hand, community organizations and community-level information and delivery systems were seen as receiving support through activities proposed in Wave 5, including one particularly strong example for developing an effective community-based health worker and distribution agent system in one country to ensure universal access to long-lasting insecticide treated bednets.

18. Overall, the TRP deemed this wave of proposals as gender neutral. The panel did not observe many promising requests to support gender-sensitive interventions, other than standard targeting of pregnant women and sexual minorities as vulnerable populations. One exception to this is a proposal seeking to build capacity among women's groups as a means to improve referral of severe malaria cases identified in the community.

19. The TRP was disappointed by the complete absence in some cases or lack of clear coordination in others between Tuberculosis and HIV interventions included in proposals submitted, suggesting perhaps that stronger guidance is required to encourage more synergy between the two diseases.

### ***RCC Meeting and Secretariat Support***

20. The TRP members concurred yet again that the RCC meeting procedures were more satisfying in terms of a balanced workload and smaller plenary that is more conducive to substantive discussions.

21. They also expressed appreciation once again for the quality support received from the Secretariat. They applauded the Country Proposal team's logistical and administrative assistance.

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	Applicant requested funding					TRP recommendations				
							Year 1	Year 2	Year 3	3 Years (Phase 1)	Total up to 6 Years (Lifetime)	TRP Recommended Reduction as Applicable (Total 3 Years)	TRP Recommended Reduction as Applicable (Lifetime)	Final TRP Recommended Upper Ceiling for 3 Years (Total 3 Years)	Final TRP Recommended Upper Ceiling for up to Six Years (Lifetime)	
<b>Category 1 - USD</b>							<b>\$13,257,278</b>	<b>\$7,711,912</b>	<b>\$12,829,594</b>	<b>\$33,798,784</b>	<b>\$71,077,535</b>	<b>\$0</b>	<b>\$0</b>	<b>\$33,798,784</b>	<b>\$71,077,535</b>	
1	CCM	Madagascar	Low income	AFRO	EA	Malaria	\$13,257,278	\$7,711,912	\$12,829,594	\$33,798,784	\$71,077,535	\$0	\$0	\$33,798,784	\$71,077,535	
<b>Category 2 - USD</b>							<b>\$68,551,666</b>	<b>\$72,860,721</b>	<b>\$79,156,249</b>	<b>\$220,568,636</b>	<b>\$530,806,446</b>	<b>\$4,749,009</b>	<b>\$8,820,974</b>	<b>\$215,819,627</b>	<b>\$521,985,472</b>	
2	CCM	China	Lower-middle income	WPRO	EA	HIV	\$62,116,140	\$67,359,482	\$75,556,192	\$205,031,814	\$497,918,691	\$0	\$0	\$205,031,814	\$497,918,691	
3	CCM	Dominican Republic	Lower-middle income	AMRO	LAC	Tuberculosis	\$4,836,158	\$3,683,536	\$2,395,105	\$10,914,799	\$21,012,395	\$4,509,009	\$8,275,314	\$6,405,790	\$12,737,081	
4	CCM	Tajikistan	Low income	EURO	EECA	Tuberculosis	\$1,599,368	\$1,817,703	\$1,204,952	\$4,622,023	\$11,875,360	\$240,000	\$545,660	\$4,382,023	\$11,329,700	
<b>Category 2 - EURO</b>							<b>€ 26,711,846</b>	<b>€ 9,909,499</b>	<b>€ 25,230,247</b>	<b>€ 61,851,592</b>	<b>€ 100,416,763</b>	<b>€ 6,737,608</b>	<b>€ 15,084,812</b>	<b>€ 55,113,984</b>	<b>€ 85,331,951</b>	
<b>Category 2 - USD Equivalent</b>							<b>\$35,054,916</b>	<b>\$13,004,592</b>	<b>\$33,110,560</b>	<b>\$81,170,068</b>	<b>\$131,780,529</b>	<b>\$8,842,005</b>	<b>\$19,796,341</b>	<b>\$72,328,063</b>	<b>\$111,984,188</b>	
5	CCM	Armenia	Lower-middle income	EURO	EECA	HIV	€ 3,457,253	€ 2,605,273	€ 3,009,872	€ 9,072,398	€ 18,958,207	€ 0	€ 0	€ 9,072,398	€ 18,958,207	
6	CCM	Benin	Low income	AFRO	WCA	Malaria	€ 23,254,593	€ 7,304,226	€ 22,220,375	€ 52,779,194	€ 81,458,556	€ 6,737,608	€ 15,084,812	€ 46,041,586	€ 66,373,744	
<b>Recommended Proposals</b>							<b>Totals</b>	<b>\$116,863,860</b>	<b>\$93,577,225</b>	<b>\$125,096,403</b>	<b>\$335,537,488</b>	<b>\$733,664,510</b>	<b>\$13,591,014</b>	<b>\$28,617,315</b>	<b>\$321,946,474</b>	<b>\$705,047,199</b>
<b>Category 3A - USD</b>							<b>\$42,109,901</b>	<b>\$34,315,338</b>	<b>\$39,935,814</b>	<b>\$116,361,053</b>	<b>\$237,727,238</b>					
7	CCM	Gambia	Low income	AFRO	WCA	Malaria	\$5,231,833	\$4,129,528	\$4,509,208	\$13,870,569	\$28,506,614					
8	CCM	Jamaica	Lower-middle income	AMRO	LAC	HIV	\$4,935,559	\$4,196,419	\$4,019,699	\$13,151,677	\$21,848,626					
9	CCM	Rwanda	Low income	AFRO	EA	HIV	\$31,942,509	\$25,989,391	\$31,406,907	\$89,338,807	\$187,371,998					
<b>Category 3B - USD</b>							<b>\$1,876,323</b>	<b>\$1,741,080</b>	<b>\$1,243,778</b>	<b>\$4,861,181</b>	<b>\$8,356,076</b>					
10	CCM	El Salvador	Lower-middle income	AMRO	LAC	Tuberculosis	\$1,876,323	\$1,741,080	\$1,243,778	\$4,861,181	\$8,356,076					
<b>Not Recommended Proposals</b>							<b>Totals</b>	<b>\$43,986,224</b>	<b>\$36,056,418</b>	<b>\$41,179,592</b>	<b>\$121,222,234</b>	<b>\$246,083,314</b>				

The Global Fund Clusters

- LAC Latin America & The Caribbean
- WCA West and Central Africa
- EECA Eastern Europe and Central Asia
- EA Eastern Africa and the Indian Ocean
- EAP East Asia and the Pacific

Proposals in EURO = UN official exchange rate effective from 1 February 2009 = 1USD = 0.762 EURO

