



Investing in our future

The Global Fund

To Fight AIDS, Tuberculosis and Malaria

**GF/EDP/08/04
26 March 2008**

**REPORT OF THE TECHNICAL REVIEW PANEL AND THE SECRETARIAT
ON FUNDING RECOMMENDATIONS FOR
WAVE 2 ROLLING CONTINUATION CHANNEL PROPOSALS**

OUTLINE:

1. This report provides an overview of the Wave 2 Rolling Continuation Channel (RCC) proposals process and the Technical Review Panel (TRP) recommendations for funding, key trends observed in Wave 2 RCC, and lessons learned by the TRP and the Secretariat.

EXECUTIVE SUMMARY:

1. At the Fourteenth Board meeting, the Global Fund introduced a new funding channel, the RCC, as an alternative to the existing Rounds-based channel proposals process. The RCC is a by-invitation only proposals application process, and the Secretariat's Qualification Panel is responsible for making determinations on RCC qualification for grants presented for consideration by the portfolio cluster.

2. Consistent with the RCC decision point, qualification determinations have been made on a rolling basis, with qualification meetings already held for all grants expiring up to 30 June 2008 (Wave 1) and those grants expiring between 1 July 2008 and 30 September 2008 (Wave 2). Qualification determinations for the next RCC wave were made on 22 February 2008.

3. Of the 11 Wave 2 qualified applicants, ten proposals were received. One applicant, the Philippines, was qualified to submit applications for two components - malaria and tuberculosis. Eight of the applicants are national Country Coordinating Mechanisms (CCMs) and one is a Regional Coordinating Mechanism. The eleventh eligible applicant notified the Global Fund that they did not apply because they secured funding in Round 7 for the same component.

4. Following a review of supporting documents, each applicant was determined compliant with the minimum requirements for applicant eligibility by the Secretariat's Screening Review Panel. All ten Wave 2 RCC proposals were forwarded to the TRP for review.

5. The TRP met to review the Wave 2 RCC proposals during a special purpose RCC TRP meeting, held in Lausanne over the 18th-20th of February. In this meeting, the TRP comprised thirteen reviewers, including the TRP Chair. The panel was a mix of both current and former members; four of whom are new to reviewing proposals for the RCC.

6. The TRP recommends six of the ten Wave 2 RCC proposals as 'Recommended Category 2 Proposals', and the TRP's recommendations are set out in Annex 2 to this paper.

7. The total upper ceiling for recommended Wave 2 RCC proposals is US\$ 364.5 million for three years and US\$ 736.7 million for up to six years. These figures represent 66% and 68% respectively of the total funds requested.

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.**
- 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 wave of Rolling Continuation Channel proposals.**

This decision does not have material budgetary implications.

PART 1: BACKGROUND

1. At its Fourteenth Board meeting in November 2006, the Global Fund Board (the Board) approved the establishment of a new funding mechanism entitled the Rolling Continuation Channel (RCC).¹

2. This report presents the Technical Review Panel's (TRP) funding recommendations for Wave 2 RCC and lessons learned. It should be read in conjunction with the following Annexes:

- Annex 1: List of TRP reviewers for the Wave 2 RCC TRP meeting
- Annex 2: List of proposals reviewed by the TRP, in the category in which they are recommended to the Board
- Annex 3: TRP Review Form for each eligible disease component reviewed by the TRP
- Annex 4: Full text of all Proposals

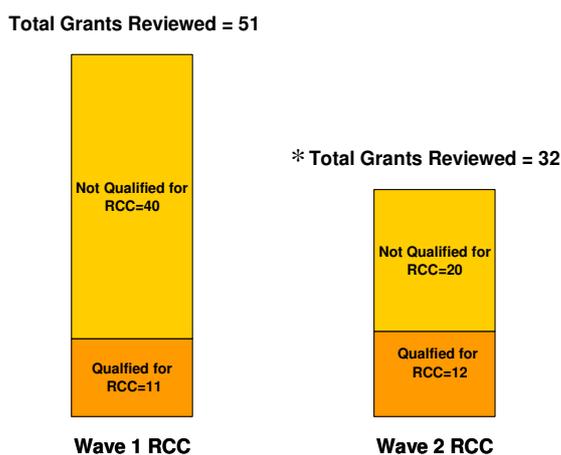
3. Annexes 1 and 2 are provided with this report. Annexes 3 and 4 are provided on an electronic and confidential basis as supplementary documents to Board members, for the purpose of assisting Board delegations to consider the funding recommendations of the TRP to the Board.

4. Subject to the Board's decision on funding (to be undertaken through an electronic vote), the material within Annex 4 will be disclosed on the Global Fund's website as soon as possible after the Board decision on funding. The materials comprised in Annex 3, consistent with Board policy, will be provided directly to the original applicant.

Overview of RCC qualification

5. As demonstrated by Figure 1 below, 37.5 % of grants expiring between 1 July 2008 and 30 September 2008 were invited to apply under Wave 2, with a closing date of 3 January 2008. In comparison, 22% of grants expiring up to 30 June 2008 qualified for RCC Wave 1 2007. This report sets out the TRP's recommendations only in respect of Wave 2 RCC proposals.

Figure 1 – Determination of Qualification for RCC Wave 1 and Wave 2



¹ Refer to the decision point entitled "Establishment of a Rolling Continuation Channel" GF/B14/DP9 available at <http://www.theglobalfund.org/en/about/board/fourteenth/boardmeetingdocs/>

* Includes both Ghana Round 2 and Round 4 Malaria grants, which are recommended for consolidation.

Support to in-country Wave 2 RCC proposal development processes

6. The Secretariat supported the Wave 2 RCC proposal development process to the extent appropriate, having regard to potential conflicts of interest. Specifically:

- i. an extensive real-time 'Frequently Asked Questions' page was launched in all six official United Nations languages at the same time as the invitation to apply for RCC funding; and
- ii. applicant enquiries were responded to by the Secretariat within one business day of receipt of the enquiry.

Closing Date for RCC Proposals and Number of Proposals Received

7. By the closing date of 3 January 2008 for Wave 2 RCC proposals, ten component proposals had been received by the Secretariat from nine qualified applicants.

8. One qualified applicant did not apply for RCC funding, because the applicant had secured funding for the same component in Round 7.

9. It is noteworthy that all of the applicants, except for two, who applied for funding under the Wave 2 RCC, also submitted proposals under Round 7 for the same disease component.

PART 2: PROPOSAL SCREENING FOR ELIGIBILITY AND COMPLETENESS

1. As with the Rounds-based funding channel, the Global Fund Secretariat undertook the Wave 2 RCC proposal screening process. Each Wave 2 RCC proposal was screened by the Secretariat for completeness and eligibility.

2. The Secretariat's Screening Review Panel determined by consensus vote that all nine applicants met the minimum eligibility requirements.

PART 3: THE TRP REVIEW PROCESS FOR ELIGIBLE WAVE 2 RCC PROPOSALS

TRP Membership

1. In line with the TRP Terms of Reference for the review of RCC proposals, thirteen TRP reviewers, with a mix of expertise covering all three diseases, met in Lausanne over the 18th to the 20th of February to review eligible proposals. Additional detail on the membership is set out in Annex 1 to this report.

2. Part of the first afternoon of the Wave 2 RCC TRP meeting was used by the TRP to fully consider the RCC proposals process, and the general guiding principles of the Board regarding the review process for these proposals. Members of the Global Fund Secretariat

participated in this session, providing a brief summary of the background of the RCC process and an explanation of the key changes following from the Sixteenth Board meeting. This session was helpful, and highlighted a number of aspects which the TRP came back to for further discussion throughout the review sessions.

3. Similar to the Rounds-based review process (detailed in the document entitled 'Report of the TRP and Secretariat on Round 7 Proposals', GF/B16/5), TRP members worked in small groups, with plenary discussion taking place on the afternoon of both days. In contrast to Wave 1, an extra reviewer was added to each group. Thus, each small group comprised four reviewers, and TRP members broadly agreed that this was helpful in facilitating the review of proposals.

TRP Review of RCC Wave 2 Proposals

4. Five component proposals were reviewed on each day of the TRP meeting. On the day of, or day prior to review, component proposals were distributed among TRP sub-groups comprised of two disease-specific experts, and two cross-cutting experts.

5. The thirteen TRP reviewers then met for approximately three and half hours each day in a plenary session to discuss all proposals reviewed on that day. This discussion involved a presentation of the proposal and views of the TRP sub-group by one of the reviewers, followed by full group discussion and determination of the final grading of the proposal and final wording of the report (known as the TRP Rolling Continuation Channel Review Form, as set out in Annex 3 to this report).

6. Proposals were recommended by the TRP in one of the five following categories, as requested by the Board.² All decisions of the TRP were achieved by consensus:

- i. Category 1 Proposals: Recommended proposals with no clarifications.
- ii. Category 2 Proposals: Recommended proposals provided clarifications are met within a limited timeframe (four weeks and any further adjustments completed within 2 months).
- iii. Category 3a Proposals: (Applicable only upon initial submission) 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.
- iv. Category 3b Proposals: (Applicable only upon re-submission) Not recommended for funding based on technical merit but encouraged to resubmit through the Rounds-Based Channel following major revision.
- v. Category 4: Rejected. These applications are not recommended for funding as the proposal was deemed to be “materially different”, and as such, must be submitted through the Rounds based channel.

² At the 16th Board meeting, the Board amended the description of Category 3, splitting it into two parts, Category 3a and Category 3b.

7. The TRP was comfortable making recommendations taking into account the revisions made to Category 3.

8. However, the TRP did not request clarifications that would lead to a 'reshaping' of the proposals under consideration in order to recommend the proposal for funding; as the TRP believes that this should not be its role. That is, the TRP did not recommend a proposal conditional on the removal of a limited set of specific elements and, simultaneously, recommend that such amounts be 'reprogrammed' into other areas of the proposal. In these situations, the TRP believes that its mandate is to provide feedback to applicants through clearly expressed weaknesses identified for consideration and possible attention by applicants in future applications for funding.

9. Consistent with the Rounds-based proposal review process, the entire review process, including the review on the final day, took no account of the availability of funds.

PART 4: RECOMMENDATIONS TO THE BOARD

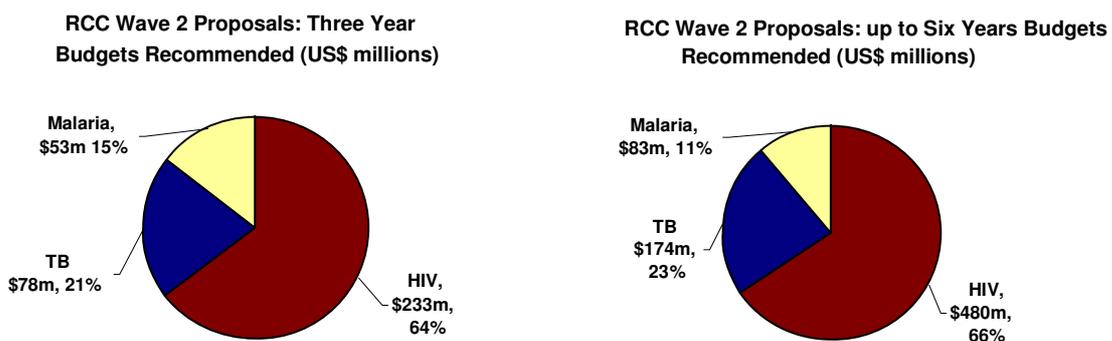
1. The TRP recommends six component proposals for approval. The maximum upper ceiling recommended by the TRP to the Board for approval for these proposals is:

- i. **US\$ 364.5 million for three years; and**
- ii. **US\$ 736.7 million for up to six years.**

This represents 66% and 68% respectively of the total funds requested.

2. Figure 2 below summarizes the breakdown of components recommended by the TRP in Wave 2 RCC over three years and six years.

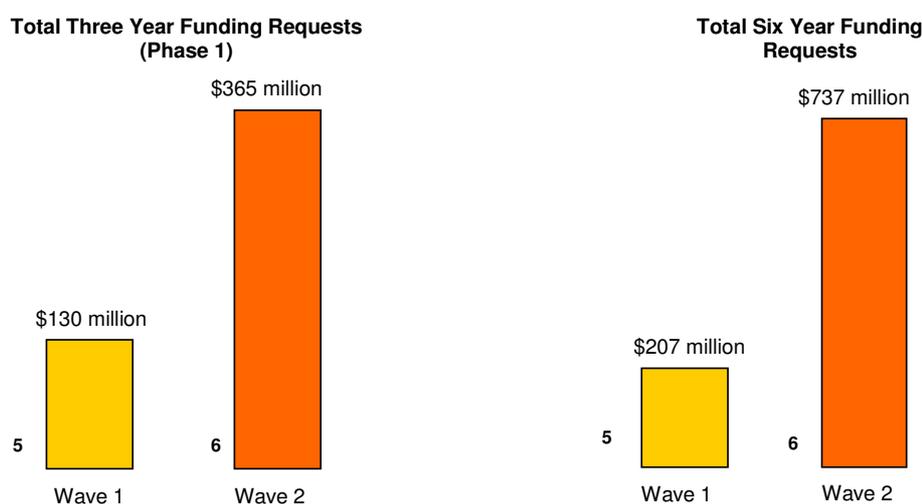
Figure 2 – Wave 2 RCC TRP recommendations



3. Figure 3 below provides a comparison between Waves 1 and 2 in terms of numbers of proposals funded and the total maximum upper ceilings for both Phase 1 (three years) and the lifetime of the proposal (six years). As seen below, although five proposals were recommended

for funding in Wave 1 versus six in Wave 2; the total amount recommended is about three times Wave 2.

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



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

Table 1 – Overview of Wave 2 recommendations

Component breakdown	Number approved	Number reviewed	Approval rate	3 Year Upper ceiling recommended	Up to 6 years upper ceiling recommended
HIV	3	4	75%	US\$ 233,0 m	US\$ 479,8 m
Tuberculosis	1	1	100%	US\$ 78,0 m	US\$ 173,8 m
Malaria	2	5	40%	US\$ 53,5 m	US\$ 83,0 m
Total	6	10	60%	US\$ 364,5	US\$ 736,7

PART 5: TRP OBSERVATIONS FROM WAVE 2 RCC PROPOSAL REVIEW

TRP General Feedback on the Wave 2 Proposals

1. As described in part 3 above, the TRP reviewed Wave 2 RCC proposals to ensure that only technically appropriate proposals are recommended for Board approval. The TRP recommends six Wave 2 RCC proposals for funding, and four for re-submission under the newly introduced Category 3A.

2. The TRP notes that, in general, the technically stronger proposals in Wave 2 built on lessons learned from existing grants, and include the following elements: involvement of a wide range of stakeholders in proposal development and implementation; inclusion of a strong gap analysis; and the incorporation of approaches that are consistent with international best practice.

3. Major technical weaknesses in Wave 2 proposals include the failure to:

- Clearly demonstrate the additionality of the request for Global Fund investment, as all requests should reflect demonstrated country need based on current epidemiological context;
- Adequately explain, and take into account changes in the epidemiology and in the context in which the epidemic is occurring;

4. Similar to Round 7, technically stronger proposals appear to have been developed with the support and/or coordination of partners. While these strong proposals are a positive trend, it is also difficult to determine the extent to which the proposal reflects ownership by the country and local stakeholders, and therefore implementation capacity during the proposal term.

5. Noting the Board's decisions at its Sixteenth meeting, the TRP was concerned to ensure appropriate consideration of health systems and gender within the context of relevant proposals.

6. While RCC proposals have some stronger examples of the inclusion of Health Systems Strengthening (HSS) requests, applicants are still struggling with this concept. Several applicants described disease specific activities under the section of the proposal designed for HSS activities. The TRP understands efforts are underway to strengthen clarity and consistency (between technical partners and the Secretariat) in messaging to applicants on this issue, especially in the context of Round 8. The TRP hopes to see more innovative HSS proposals in the future.

7. On gender, the TRP considered the extent to which the proposals submitted in Wave 2 are gender neutral, positive, or transformative. While several Wave 2 proposals are clearly gender positive, and have a strong focus on women and children, none were gender transformative. The TRP is mindful that the Round 8 proposal documentation brings an emphasis to the importance of gender sensitive programming. The next wave of RCC invitation packages will include Round 8 revisions regarding gender sensitive programming. Proposals received will be assessed at the same time as the Round 8 proposals, and the TRP will report in late September on the extent to which proposals include gender sensitive programming.

Lessons Learned from RCC Wave 2 Proposal Review

8. Consistent with the TRP's experience in Wave 1, the time required to review RCC proposals is at least equal to that in the Rounds-based proposal review, and potentially greater due to an increased need to review linkages with existing Global Fund grants.

9. The TRP continues to support the inclusion of both current and former TRP members in the review of RCC proposals. Members were more comfortable with the review group format (three groups with four members) representing a change from only two groups in Wave 1.

10. Challenges remain with the implementation of the Sixteenth Board decision stating that the TRP “shall ensure that only technically appropriate interventions are funded”, while also ensuring “continued funding for expiring grants that have met the qualification requirements.”³ The TRP notes, for example, that although the proposals submitted through the RCC are from applicants who are currently implementing grants relatively successfully, this grant management capacity does not necessarily lead to the submission of a technically strong RCC proposal.

11. The TRP noted that a higher proportion of eligible grants qualified for RCC Wave 2 than for Wave 1. Several grants qualified despite B1 ratings and demonstration of potential for impact rather than convincing evidence of impact.

12. The TRP is appreciative of the improvements made to the Qualification Score Cards (QSC) and the Grant Performance Reports (GPR). However, some concerns remain with the information provided to the TRP by the Secretariat to assess the performance of previous grants. For example, there were some inconsistencies noted in the ratings, and some of the information regarding key indicators in these documents is still incomplete, and is not always reported against. Where there is no information provided in the GPRs, the TRP requested that these documents clearly show when the last performance review was completed and why there are no further performance ratings available. Also, the TRP suggested that, where there are significant outstanding disbursements, an explanation should be provided.⁴

13. The TRP also suggests that, in order to simplify the GPRs and to make these easier to understand for external audiences, it would be helpful to:

a. Provide an overview of performance according to the entire disease portfolio for a particular country, in addition to the individual reports on various grants. This would greatly assist the TRP in identifying areas of potential overlap between grants.

b. Rank the indicators, listing the most critical indicators first.

14. In a related point, the TRP believes that, in the context of the Global Fund’s review of its funding architecture, consideration might be given to broadening the inclusion of additional data from country partners and other independent sources in performance reviews. A mid-term evaluation by an independent technical body may also be helpful.

³ Refer to decision taken by the Board at its Sixteenth meeting (GF/B16/DP8).

⁴ The TRP made a number of similar suggestions in its Wave 1 RCC report. It is understood that not all changes suggested were possible to incorporate for the review of Wave 2 proposals, and that further revisions will be made by the Secretariat to the GPR IT solution over the coming months. However, a good part of the issue is quality assuring the data that is entered.

General Comments on the RCC Architecture

15. The TRP appreciated the addition of a new option for classifying proposals (category '3A', established at the Sixteenth Board meeting⁵). This category (applicable only upon initial submission) applies to those proposals not recommended for funding based on technical merit, and strongly encourages applicants to resubmit a revised proposal, taking into account the issues raised by the TRP. The TRP recommends that this opportunity to invite a proposal resubmission be maintained, as it allows for a more iterative approach to proposal development.

16. Nonetheless, it is noted that the '3A' category may result in an increase in the need for longer TRP review sessions in subsequent RCC waves; to account for the expected increase in the number of proposals received (i.e. new proposals, plus re-submissions).

17. As first noted in the Wave 1 report, the timing of RCC invitations and proposal submission remains somewhat problematic. First, applicants are given one opportunity to submit a proposal within a set time period when they are invited to apply for RCC. However, that time frame may not always be appropriate for the country, as it may not align with country planning processes. For example, critical research or survey data necessary to undertake needs assessments may be underway, but may not be finalized in time to inform proposal development within the limited timeframe for applications. It might be more beneficial for the applicants themselves to determine the best time for submission.

18. Secondly, there is not a substantial difference between proposals submitted through the Rounds-based channel and the RCC, although these are different funding windows. The TRP supports merging the RCC and the Rounds-based channel, in order to minimize confusion for applicants and for proposal review, and to find other mechanisms to maximize the chances of continuing funding for well performing grants.

19. Thus, the TRP recommends that consideration be given to holding two Rounds-based channel reviews per year, instead of the current two week review process for the Rounds, plus three to four additional RCC sessions. At these reviews, both Rounds based and RCC proposals could be reviewed if the two channels are not merged. This approach would facilitate a more frequent proposal review process for what remains the larger volume of proposals: the Rounds-based proposal channel. Furthermore, it might enable more experts to commit to serving on the TRP, as the time commitment would be less intensive.

20. Another issue discussed at some length was the flexibility of RCC: some members mentioned that RCC is very flexible, allowing for scale and scope change; however, it was felt that countries may feel restricted to stick closely within the parameters of the original qualifying grant and that this may be leading to countries not giving due consideration to changes in epidemiology, international best practices, appropriateness of SDAs, etc., and therefore applicants may not adequately revise their approach when submitting the RCC proposal

⁵ Refer to decision taken by the Board at its Sixteenth meeting (GF/B16/DP8).



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Annex 1

List of TRP Reviewers for the RCC Wave 2 Meeting

No.	Surname	First name	Expertise	Gender	Nationality	Rounds / RCC Waves served							
						R1	R2	R3	R4	R5	R6	R7	W1
1	Godfrey-Faussett	Peter (Chair)	HIV/AIDS and TB	M	UK								
2	Alilio	Martin S.	Cross cutting and malaria	M	Tanzania								
3	Decosas	Josef	Cross cutting	M	Germany								
4	Gordon	Sarah	Cross cutting	F	Guyana								
5	Griekspoor	Wilfred	Cross cutting	M	Netherlands								
6	Majori	Giancarlo	Malaria	M	Italy								
7	Malinowska-Sempruch	Kasia	HIV/AIDS	F	USA								
8	Simmonds	Stephanie	Cross cutting	F	UK								
9	Tregnago-Barcellos	Nemora	HIV/AIDS	F	Brazil								
10	Boillot	Francois	Cross cutting and TB	M	France								
11	Burkot	Thomas	Malaria	M	USA								
12	Nuyens	Yvo	Cross cutting	M	Belgium								
13	Talisuna	Ambrose	Malaria	M	Uganda								

Current TRP Members

Former TRP members

Rounds/waves served

Rounds/waves not served

Annex 2

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

No.	Source	Country / Economy	World Bank Income Classification	WHO Region	TGF Cluster	Component	Year 1	Year 2	Year 3	3 Years (Phase 1)	Total up to 6 Years (Lifetime)	
Category 2 - USD							\$81,366,777	\$81,706,138	\$84,279,732	\$247,352,646	\$498,775,910	
1	CCM	Malawi	Low income	AFRO	SA	HIV	\$55,819,606	\$57,178,042	\$60,331,766	\$173,329,414	\$375,005,179	
2	CCM	Mongolia	Low income	WPRO	EAP	HIV	\$1,330,790	\$1,096,960	\$1,053,990	\$3,481,740	\$6,488,480	
3	RCM	RMCC	Mixed	AFRO	SA	Malaria	\$4,964,200	\$4,815,398	\$4,604,875	\$14,384,472	\$18,973,098	
4	CCM	Thailand	Lower-middle income	SEARO	EAP	HIV	\$19,252,181	\$18,615,739	\$18,289,101	\$56,157,021	\$98,309,153	
Category 2 - EURO							€ 25,601,614	€ 24,674,481	€ 27,151,080	€ 77,427,175	€ 157,241,357	
Category 2 - USD Equivalent							\$38,731,640	\$37,329,018	\$41,075,764	\$117,136,422	\$237,884,050	
5	CCM	Philippines	Low income	WPRO	EAP	Tuberculosis	€ 11,471,583	€ 17,555,598	€ 22,555,931	€ 51,583,112	€ 114,891,092	
6	CCM	Philippines	Low income	WPRO	EAP	Malaria	€ 14,130,031	€ 7,118,883	€ 4,595,149	€ 25,844,063	€ 42,350,265	
Recommended Proposals							Totals	\$120,098,416	\$119,035,157	\$125,355,495	\$364,489,068	\$736,659,960
Category 3A - USD												
7	CCM	El Salvador	Lower-middle income	AMRO	LAC	HIV	\$5,024,106	\$6,679,703	\$6,322,888	\$18,026,697	\$30,395,883	
8	CCM	Ethiopia	Low income	AFRO	EA	Malaria	\$12,572,235	\$29,886,747	\$24,225,084	\$66,684,066	\$139,735,522	
9	CCM	Ghana	Low income	AFRO	WCA	Malaria	\$33,938,537	\$28,239,600	\$26,716,558	\$88,894,695	\$159,814,217	
10	CCM	Zambia	Low income	AFRO	SA	Malaria	\$1,869,408	\$6,083,920	\$3,751,424	\$11,704,752	\$17,736,295	
Not Recommended Proposals							Totals	\$53,404,286	\$70,889,970	\$61,015,954	\$185,310,210	\$347,681,917

RCM RMCC: Mozambique (Low income), Swaziland (Lower middle income), South Africa (Upper middle income)

The Global Fund Clusters

EAP East Asia and Pacific
 EA East Africa & Indian Ocean
 LAC Latin America & The Caribbean
 SA Southern Africa
 WCA West and Central Africa

Proposals in EURO = UN official exchange rate effective from 1 March 2008 = 1USD = 0.661 EURO

0.661