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The Global Fund

To Fight AIDS, Tuberculosis and Malaria

GF/EDP/10/07

30 March 2010

For Decision

REPORT OF THE TECHNICAL REVIEW PANEL AND THE SECRETARIAT
ON
WAVE 8 ROLLING CONTINUATION CHANNEL PROPOSALS

OUTLINE:

This report provides the Board with the Technical Review Panel (TRP) funding recommendations on Wave 8 of the Rolling Continuation Channel (RCC) proposals. This report also provides a brief overview of the process followed, observations made and lessons learned by the TRP and the Secretariat.

GF/EDP/10/07

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PART 1: RCC Wave 8 Funding Recommendations

For Decision

1.1 Eleven TRP members, including Dr Bolanle Oyeledun who served as the TRP Chair for this meeting and the TRP Vice-Chair Dr George Gotsadze, reviewed 11 RCC Wave 8 proposals¹ from 8 to 10 March 2010 in Geneva, Switzerland.

1.2 Of the eleven proposals reviewed in RCC Wave 8, five were new proposals and six were resubmissions (three from Wave 6 and three from Wave 7).

1.3 Of the five new proposals received, the TRP recommends two as 'Category 2 Proposals'. The other three are not recommended for funding and classified as 'Category 3A' and are strongly encouraged to resubmit a revised proposal in the final RCC resubmission Wave scheduled later this year.

1.4 Of the six resubmissions, four are recommended for funding as 'Category 2'. The other two resubmissions are not recommended for funding and are classified as 'Category 3B'. The applicants that submitted these proposals are strongly encouraged to resubmit through the Rounds-based channel following major revision.

1.5 Together, these TRP recommendations for RCC Wave 8 proposals² represent an overall success rate of 55 percent. The full detail of TRP funding recommendations are set out in Annex 1 to this paper.

1.6 The total upper ceiling for all recommended Wave 8 RCC proposals for Phase 1 (three years) is US\$ 151 million which is to be committed in two tranches (US\$ 96 million (for the first two years) and US\$ 55 million (for the third year) respectively) and US\$ 306 million over the six year request (i.e. lifetime budget). These figures represent 45 percent and 37 percent respectively of the total three year and six year total funds requested by all Applicants in this Wave.

1.7 In Wave 8, the Secretariat received two proposals for the same disease component from one applicant, Tanzania. The proposals consisted of a resubmitted Wave 6 proposal and an initial Wave 8 submission. Both were not recommended for funding by the TRP. The Secretariat also received two proposals from Guatemala for HIV and Malaria and both were recommended for funding.

1.8 In Wave 8, the Secretariat received a proposal submitted by a Sub-CCM that has not applied to the Global Fund since Round 3. This proposal was recommended for funding by the TRP.

1.9 The TRP members reviewing this wave raised questions around the overall quality of proposals reviewed and expressed concerns over the resubmissions that failed to address the weaknesses identified from the initial RCC review.

1.10 The TRP presents its funding recommendations in the form of the decision point below.

¹ In this wave, the Secretariat received four proposals from two applicants, Tanzania and Guatemala.

² If not stated otherwise, "Wave 8 RCC proposals" refers to re-submitted Wave 6 and Wave 7, as well as new Wave 8 proposals.

Decision Point[(GF/EDP/10/07): Approval of RCC Wave 8 proposals:

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 2' which are listed in Annex 1 to the Report of the TRP and the Secretariat on Funding Recommendation for Wave 8 Rolling Continuation Channel Proposals (the "Wave 8 RCC Report"). The Board approves funding for up to three years for each proposal (indicated as "Total 3 Years" in Annex 1 to the Wave 8 RCC Report). The Board's approval 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. For further clarity, this decision is subject to the revised Comprehensive Funding Policy approved at the Twentieth Board meeting.*
2. *The applicants whose proposals are recommended for funding as 'Category 2' 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 'Category 3A' as indicated in Annex 1 to the Wave 8 RCC Report, however such applicants are strongly encouraged to resubmit a revised proposal, taking into account the issues raised by the TRP, for consideration in the final resubmission wave of Rolling Continuation Channel review.*
4. *The Board declines to approve for funding proposals categorized by the TRP as 'Category 3B' as indicated in Annex 1 to the Wave 8 RCC Report, however such applicants are encouraged to resubmit the proposal through the Rounds-Based Channel following major revision.*

This decision does not have material budgetary implications.

PART 2: BACKGROUND

2.1 This report presents the TRP funding recommendations for RCC Wave 8³ 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: TRP Review Form for each eligible disease proposal reviewed and full text of all proposals

2.2 Annex 1 is provided with this report. Annex 2 is provided on a confidential basis in electronic format as supplementary documentation to Board members.

2.3 Subject to the Board's funding decision, the proposals within Annex 2 will be posted on the Global Fund's website shortly after the Board makes its decision on funding. The TRP Review Forms, consistent with Board policy, will only be provided directly to the applicant. In order to facilitate resubmission by those applicants recommended as Category 3A and potentially a subsequent application through Round 10 (if unsuccessful in their resubmission), the Secretariat will preliminarily notify all Wave 8 applicants of the TRP recommendation. This preliminary notification will clearly indicate that the final decision to approve the proposal is subject to Board decision.

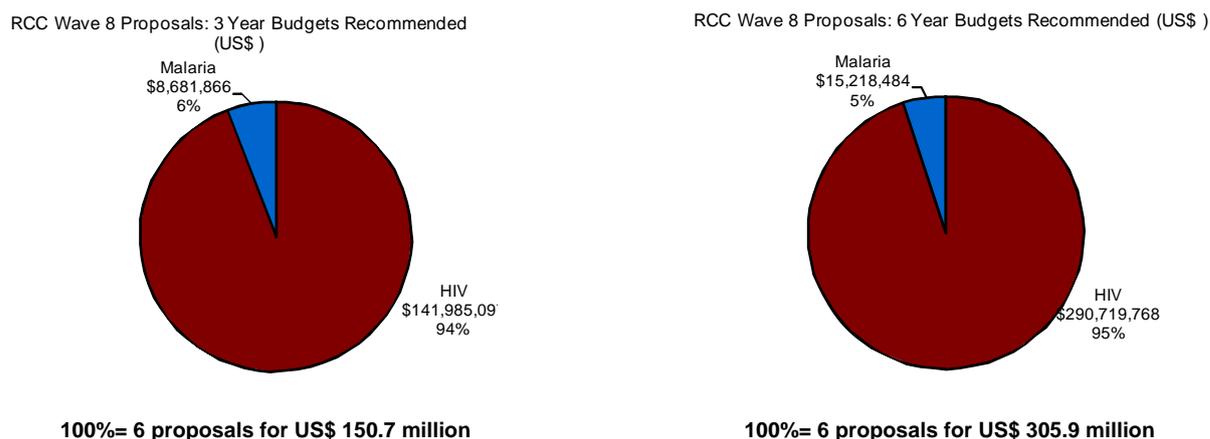
PART 3: OVERVIEW OF RCC WAVE 8 OUTCOMES

3.1 Annex 1 presents the list of proposals reviewed in RCC Wave 8 and the recommendations made by the TRP following their review. The TRP recommends 6 proposals for approval. The maximum upper ceiling budget recommended for these proposals is:

- i. US\$ 151 million for three years (to be committed in two tranches); and
- ii. US\$ 306 million for six years.

3.2 This represents 45 percent and 37 percent respectively of the total upper ceiling of funds requested for the first three years and for the total six years by the 11 Wave 8 RCC applicants. Figure 1 below summarizes the breakdown of proposals recommended for funding by the TRP.

Figure 1 - Proposals recommended for funding in RCC Wave 8



³ At the Fourteenth Board meeting, the Global Fund introduced a new funding channel for strong performing expiring grants, the Rolling Continuation Channel, 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 more details please refer to: <http://www.theglobalfund.org/en/rcc/>

3.3 In this wave, no tuberculosis proposals were received and none of the applicants submitted a distinct cross-cutting Health Systems Strengthening (HSS) part (s.4B and 5B) as a part of a RCC proposal.

3.4 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 8 TRP Recommendations

Disease proposal	Number reviewed	Number recommended for funding	Success rate	Percent of 3 Years Upper Ceiling Recommended	Percent of 6 Years Upper Ceiling Recommended
HIV	7	4	57%	US\$ 142.0 million (48%)	US\$ 290.7 million (45%)
Malaria	4	2	50%	US\$ 8.7 million (23%)	US\$ 15.2 million (9%)
Total	11	6	55%	US\$150.7million (45%)	US\$ 305.9 million (37%)

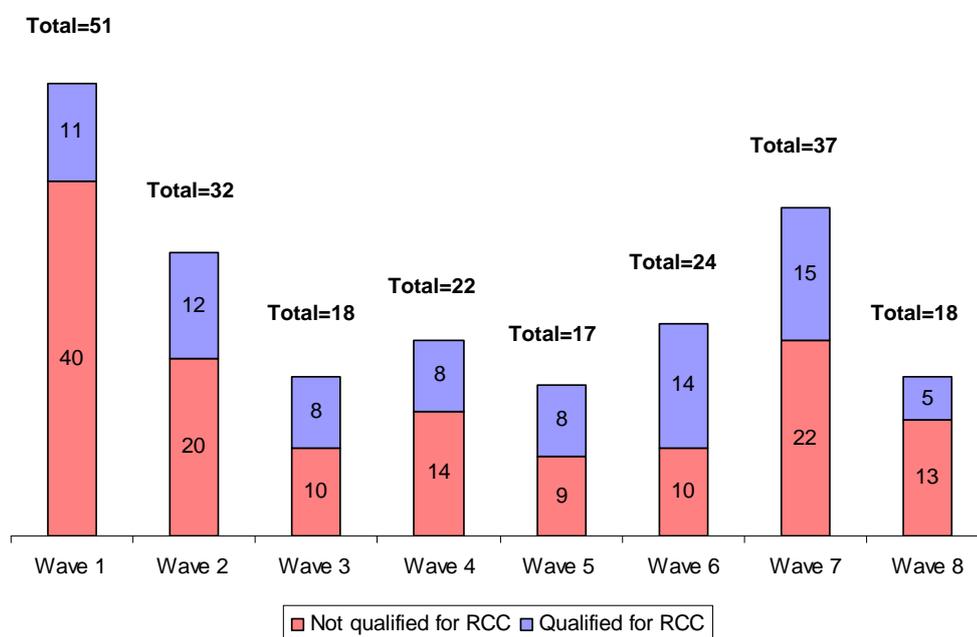
PART 4: RCC WAVE 8 QUALIFICATION AND SECRETARIAT SCREENING OF PROPOSALS

RCC qualification, invitations and closing date

4.1 As demonstrated by Figure 3 below, 5 of a possible 18 expiring grants (28 percent) were invited by the Secretariat to apply under Wave 8. All invitees chose to apply.

4.2 All three applicants with the option to resubmit their proposals from Wave 6 submitted revised proposals in Wave 8 and three of the five applicants also chose to resubmit their proposals from Wave 7 instead of the next resubmission wave.

Figure 2 - Determination of Qualification for RCC Waves 1 to 8



Proposal screening for Eligibility and Completeness

4.3 The Secretariat undertook the standard RCC proposal screening process to ensure that each proposal was complete⁴ 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 11 Wave 8 RCC proposals were forwarded to the TRP for review.

PART 5: PROPOSAL REVIEW PROCESS

TRP Membership

5.1 The RCC Wave 8 membership consisted of 11 TRP members: three HIV experts, two malaria experts and five cross-cutting experts and the TRP Chair. The panel represented a mix of current and former TRP members and included some who participated in their first RCC review.

TRP Review of RCC Wave 8 Proposals

5.2 All eleven Wave 8 RCC proposals were reviewed in small review groups and then in plenary 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, did not take into account availability of funds.

5.3 Each proposal was reviewed by four TRP members - two disease-specific experts and two cross-cutting experts - except for one proposal that was reviewed by three TRP members, one disease-specific expert and one cross-cutting expert and an additional disease-specific/cross-cutting expert in order to avoid a conflict of interest situation. The small review groups undertook a detailed review of the proposal and presented the proposal, comments and recommendation to the full plenary.

5.4 Each day all TRP members met in a plenary session to discuss the proposals reviewed on that day and to deliberate on and determine the final rating 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).

5.5 Proposals could be recommended by the TRP in one of the five categories identified in the TRP's Terms of Reference.⁵ All decisions of the TRP were achieved by consensus.

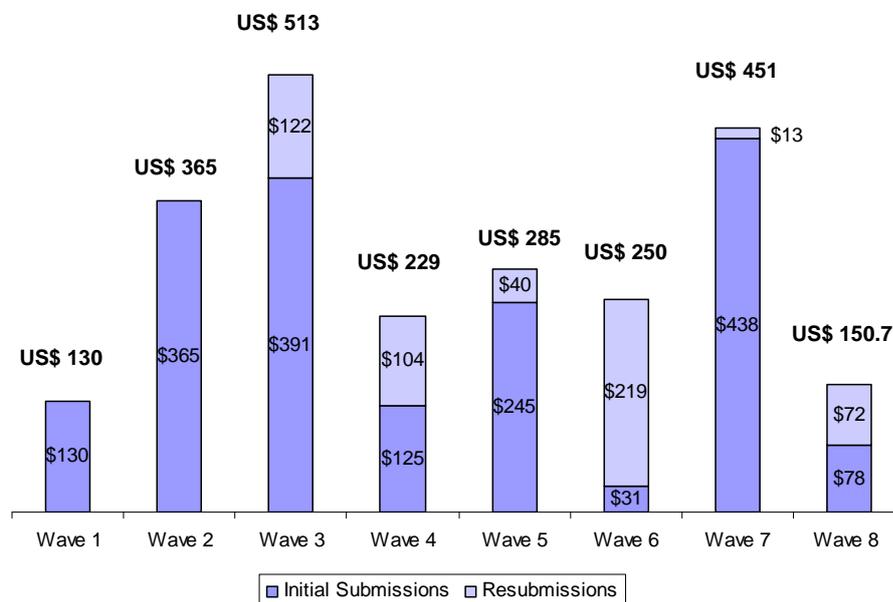
⁴ The six resubmission proposals were also reviewed for eligibility and completeness to warrant the determination of compliance with the minimum requirements for eligibility during the Waves 6 and 7 proposal review process.

⁵ Decision Point GF/B16/DP8

PART 6: OVERVIEW OF EIGHT RCC WAVES

6.1 Figure 2 below provides a comparison of the eight RCC Waves in terms of numbers of proposals recommended and the total maximum upper ceiling funding for Phase 1 (three years).

Figure 2 -Proposals recommended for funding in Waves 1 to 8 compared by three year (RCC Phase 1) upper ceiling funding requests



6.2 The cumulative success rate across RCC Waves 1 to 8 for 'first time' RCC applicants, as presented in Table 2 below, at 50 percent, remains low. With only 2 out of 5 new submissions recommended for funding, initial RCC proposals continue to demonstrate significant weaknesses. However, four out of six resubmitted proposals were recommended for funding in Wave 8.

Table 2 - Overview of RCC Cumulative Approval Rates

RCC Success Rates by Wave and Cumulatively							
RCC Wave	New proposals			Resubmissions			Success rate by wave
	Number reviewed	Number recommended	Cumulative success rate (new proposals)	Number reviewed	Number recommended	Cumulative success rate (resubmissions)	
Wave 1	10	5	50%	n/a	n/a	n/a	50%
Wave 2	10	6	55%				60%
Wave 3	7	3	52%	5	5	100%	67%
Wave 4	8	3	49%	2	2	100%	50%
Wave 5	6	3	49%	4	3	91%	60%
Wave 6	10	5	49%	5	4	88%	60%
Wave 7	14	8	51%	3	1	79%	53%
Wave 8	5	2	50%	6	4	76%	55%

PART 7: LESSONS LEARNED FROM RCC WAVE 8 PROPOSAL REVIEW

7.1 This section documents the lessons learned by the Technical Review Panel (TRP) during the review of RCC Wave 8 proposals and provides recommendations for consideration by applicants, the Global Fund Board, partners and the Secretariat.

GLOBAL FUND POLICIES AND ARCHITECTURE

Appropriateness of the Rolling Continuation Channel in the evolving Global Fund architecture

7.2 The TRP welcomes the Board's decision to discontinue the Rolling Continuation Channel after Wave 8⁶. As noted in previous RCC reports, the TRP noted the challenge created by multiple funding windows and the fact that RCC applications struggled to demonstrate complementarity with existing grants and parallel requests that were submitted through the Rounds-based channel. The TRP notes that one RCC Wave 8 Applicant was able to clearly demonstrate the links between existing Global Fund grants and the RCC proposal. The TRP recommends that all applicants, regardless of the funding window, ensure that links to existing Global Fund grants are clearly described. This issue is not unique to RCC, and the TRP welcomes the move towards grant consolidation and the single-stream of financing under the new architecture.

7.3 The TRP understands that the Rolling Continuation Channel was established to facilitate access to funding for well-performing grants and by extension their Principal Recipient(s). In Wave 8, the TRP questioned the appropriateness of selecting new Principal Recipient(s) in some of the proposals, particularly in those instances when the implementation arrangements were poorly described. The TRP recognizes that all nominated PRs will undergo Local Fund Agent (LFA) capacity assessments; however the TRP recommends applicants clearly describe the implementation arrangements, including the capacity of the nominated PRs, in their proposals.

7.2 The TRP notes with concern that in some cases applicants fail to describe human resource strategies and plans for eventual sustainability of human resources for which funding is requested. In addition the TRP notes that in some cases complicated implementation arrangements were being proposed which, in some cases, resulted in inflated overheads.

Scope of proposals submitted through RCC

7.3 Under the current architecture, only CCMs overseeing well-performing grants are invited to submit a proposal through RCC. The upper limit for the funding amount of RCC proposals is 140 percent of the original Phase 2 budget of the qualified grant⁷.

7.4 As with RCC Wave 7, the TRP reviewed two proposals to continue a program managed by a Principal Recipient from a Round 3 and Round 4 proposal. In both instances, the PR manages one grant representing a fraction of the interventions included in the original proposal and of the related total budget. The TRP notes that in such circumstances the Rolling Continuation Channel does not allow continuation of the entirety of the original proposal and may not allow applicants to adequately address evolving priorities of the response at country level.

TECHNICAL QUALITY OF PROPOSALS

7.5 This section provides general recommendations on the overall technical quality of proposals and follows the TRP proposal review criteria as set out in the TRP Terms of Reference (soundness of approach; feasibility; and potential for sustainability and impact).

Soundness of approach

Justification

7.6 As with previous RCC reviews, the TRP notes that several proposals lacked careful and thorough situational analysis and/or justifications, thus hindering the TRP assessment of the relevance of the proposal with regard to the epidemiological situation and thus the soundness of its approach. This is particularly concerning as these proposals are from grants with strong performance running a number of years. Sound epidemiological situational analyses are critical to understand the evolution of the diseases and the appropriate design of the new proposal.

⁶Decision Point GF/B20/DP31

⁷ Decision Point GF/B18/DP13

7.7 The TRP recommends applicants to provide a thorough and evidence-based situational analysis as well as strong justifications for the interventions for which funding is being requested to continue and/or scale-up.

Feasibility

Complementarity

7.8 The TRP notes with concern that in RCC Wave 8, as in previous RCC waves and Rounds, applicants do not always adequately demonstrate the complementarity between the proposed interventions and on-going activities funded through existing Global Fund grants or by other donors.

7.9 The assessment by the TRP of complementarity or duplication of requested funding with existing activities is further compounded when multiple concurrent grants for the same disease are managed by the same Principal Recipient. Grant consolidation would greatly facilitate both the gap analysis by the applicant and the assessment of the proposal by the TRP, in addition to other expected benefits for countries⁸. In one instance, the TRP strongly recommended the consolidation of one approved RCC Wave 8 proposal with a recently approved Round 9 grant.

Potential for sustainability and impact

7.10 The TRP notes that issues related to sustainability and impact should feature more prominently in proposals submitted through the RCC funding channel, as applicants recommended for funding through RCC will be funded by the Global Fund for up to eleven years.

Lack of government contribution

7.11 The TRP noted that in some proposals the absence of government contribution to the fight against the diseases. The TRP strongly encourages greater government contribution, in particular in middle income countries, in order to ensure sustainability of the gains that have been made through Global Fund grants. Moreover, the TRP encourages applicants to diversify their funding resources as some applicants appear to be relying solely on the Global Fund.

Performance frameworks and evaluation

7.12 The TRP reiterates its Wave 7 recommendations on performance frameworks and evaluation. As with previous RCC reviews, the TRP continues to note that proposed performance frameworks include mostly input, process and output indicators. Outcome and impact indicators usually represent a small fraction of the indicators included in performance frameworks. As a result, the assessment of performance of Global Fund grants is based on indicators that do not adequately capture impact on the three diseases and on the overall health system. The TRP strongly encourages applicants to ensure that adequate impact (and outcome) indicators are included and that applicants ensure that the mechanisms exist to measure these indicators.

Value for money and cost-effectiveness

7.13 The TRP discussed in general terms the concept of “value for money” at the end of the RCC Wave 8 meeting. The TRP considers that the entry point to ensure value for money and cost-effective interventions resides in approving interventions that are technically sound, as well as cost-effective. In line with the current proposal review criteria, the TRP reviews value for money in the context of how a proposal makes a compelling case for investment and that there are the resources and skills to deliver upon the agreed outcomes. The TRP undertakes a review of detailed budgets and compares unit costs against known benchmarks, as appropriate and where available, within a given country context, in order to assess value for money. Value for Money is a recurring theme throughout the entire proposal review, and the TRP believes

⁸ Expected benefits for countries include a more holistic approach to programs, lower administrative overheads and decreased reporting requirements.

that the final category assigned to a proposal is also an indicator of the cost-effectiveness of the proposed interventions.

7.14 While the TRP believes that more attention to value for money will possibly lead to improved proposals, it is also important to recognize that value for money does not necessarily mean reducing budgets, but rather it may lead to better quality programming using the resources available.

7.15 The TRP recommends that additional work be undertaken to define what value for money means in the context of Global Fund proposals and reiterates its willingness to work with Global Fund in this important area.

SECRETARIAT SUPPORT TO THE TRP REVIEW PROCESS

TRP review process

7.16 The TRP members concurred again that the RCC meeting and review modalities were more satisfying, in contrast with Rounds-based meetings, in terms of a balanced workload and fewer participants, permitting more substantive discussions in plenary sessions.

7.17 They also expressed appreciation once again for the quality support received from the Secretariat and 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.	Applicant type	Applicant	Income Classification (Annex 1 of Guidelines)	WHO Region	Global Fund Regional Team	Disease proposal	Applicant Requested Upper Ceiling for Funding		TRP Recommended Upper Ceiling for Funding						
							Total 3 Years USD	Total up to 6 Years (Lifetime) USD	TRP Recommended Reduction as Applicable (Total 3 Years) USD	TRP Recommended Reduction as Applicable (Up to 6 years (Lifetime)) USD	Phase 1 First Commitment (Yrs 1+2) USD	Phase 1 Second Commitment (Yr 3) USD	TRP Recommended Upper Ceiling (Total 3 Years) USD	TRP Recommended Upper Ceiling (Up to 6 years (Lifetime)) USD	
Category 2 - USD															
1	CCM	Guyana	Lower-Middle Income	AMRO	LAC	Malaria	\$1,613,136	\$3,217,761	\$0	\$0	\$1,148,372	\$464,764	\$1,613,136	\$3,217,761	
2	CCM	Guatemala	Lower-Middle Income	AMRO	LAC	HIV	\$42,488,913	\$88,965,989	\$0	\$0	\$27,300,790	\$15,188,123	\$42,488,913	\$88,965,989	
3	CCM	Guatemala	Lower-Middle Income	AMRO	LAC	Malaria	\$7,068,730	\$12,000,723	\$0	\$0	\$5,570,922	\$1,497,808	\$7,068,730	\$12,000,723	
4	CCM	Lao PDR	Low Income	WPRO	EAP	HIV	\$5,810,152	\$11,642,882	\$0	\$0	\$3,832,878	\$1,977,274	\$5,810,152	\$11,642,882	
5	Sub-CCM	South Africa	Upper-Middle Income	AFRO	SA	HIV	\$71,361,630	\$143,086,769	\$0	\$0	\$42,939,817	\$28,421,813	\$71,361,630	\$143,086,769	
6	CCM	Uzbekistan	Low Income	EURO	EECA	HIV	\$22,324,402	\$47,024,128	\$0	\$0	\$14,836,150	\$7,488,252	\$22,324,402	\$47,024,128	
Recommended Proposals							Total in USD	\$150,666,963	\$305,938,252	\$0	\$0	\$95,628,929	\$55,038,034	\$150,666,963	\$305,938,252

No.	Applicant type	Applicant	Income Classification (Annex 1 of Guidelines)	WHO Region	Global Fund Regional Team	Disease proposal	Applicant Requested Upper Ceiling for Funding	
							Total 3 Years USD	Total up to 6 Years (Lifetime) USD
Category 3A - USD								
7	CCM	Burundi	Low income	AFRO	EA	HIV	\$27,014,263	\$100,599,117
8	CCM	Tanzania (Round 4)	Low income	AFRO	EA	HIV	\$67,597,159	\$157,374,931
9	CCM	Sudan (Northern Sector)	Lower-Middle Income	EMRO	MENA	Malaria	\$26,806,918	\$152,575,672
Category 3B - USD								
10	CCM	Suriname	Lower-Middle Income	AMRO	LAC	Malaria	\$1,968,850	\$2,849,300
11	CCM	Tanzania (Round 3)	Low income	AFRO	EA	HIV	\$60,515,528	\$98,116,487
Not Recommended Proposals						Total in USD	\$183,902,718	\$511,515,507

Global Fund Clusters:

- EA East Africa & Indian Ocean
- EAP East Asia Pacific
- EECA Eastern Europe & Central Asia
- LAC Latin America & the Caribbean
- MENA Middle East and North Africa
- SA Southern Africa