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The Global Fund
To Fight AIDS, Tuberculosis and Malaria

GF/EDP/09/12
13 May 2009

For Decision

**REPORT OF THE TECHNICAL REVIEW PANEL AND THE SECRETARIAT
ON FUNDING RECOMMENDATIONS FOR
WAVE 6 ROLLING CONTINUATION CHANNEL PROPOSALS**

OUTLINE:

This report provides the Technical Review Panel (TRP) funding recommendations on Wave 6 of the Rolling Continuation Channel (RCC) proposals and a brief overview of the process followed, observations made and lessons learned by the TRP and the Secretariat.

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1.1 Sixteen TRP members, including the TRP Vice Chair (Indrani Gupta) who served as meeting Chair convened in Divonne-les-Bains, France from 27 to 29 April 2009 to review fifteen RCC Wave 6 proposals.

1.2 Five of the fifteen proposals reviewed were resubmissions from Wave 4, four of which are recommended for funding as 'Recommended Category 2 Proposals'. The one resubmitted proposal not recommended for funding is classified as 'Category 3B' and is strongly encouraged to resubmit through the Rounds-Based Channel following major revision (please also see Part 6 paragraphs 6.21 to 6.24).

1.3 Of the ten new proposals received, the TRP recommends five of them as 'Category 2 Proposals'. Four of the five new proposals not recommended for funding are classified as 'Category 3A' and are strongly encouraged to resubmit an amended version of the same proposal in the next available RCC Wave. One of the five new proposals categorized as a 'Category 4' is considered to be technically unsound and therefore rejected as a Rolling Continuation Channel Proposal.

1.4 Together, the TRP's recommendations on re-submitted and new proposals¹ represent an overall success rate of 60 percent. The full detail of TRP recommendations are set out in Annex 1 to this paper.

1.5 The total upper ceiling for all recommended Wave 6 RCC proposals is US\$ 263 million for three years and US\$ 552 million for six years. These figures represent 64 percent and 62 percent respectively of the three year and six year total funds requested in this wave.

1.6 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 continues to question the effectiveness of the Rolling Continuation Channel.

1.7 In particular, and as discussed in Part 6 of this report, the TRP raises concerns regarding:

- a. the selection of grants qualifying for RCC and observations around the quality of performance frameworks and absence of outcome indicators;
- b. the challenge facing applicants to demonstrate additionality of resources and complementarity with activities from existing grants;
- c. the limitations with the current RCC rating categories; and
- d. missed opportunities to include gender sensitive responses to the three diseases as well as activities to strengthen the foundations of health systems.

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

¹ If not stated otherwise, "Wave 6 RCC proposals" refers to re-submission Wave 4 and new Wave 6 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 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 1), 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:**
 - A. **two months from the Secretariat’s receipt of the applicant’s initial detailed response to the issues raised for clarification and/or adjustment in cases where no independent budget review is requested by the TRP; and**
 - B. **five months from the Secretariat’s receipt of the applicant’s initial detailed response to the issues raised for clarifications and/or adjustment in cases where an independent budget review is requested by the TRP during the clarification of a proposal.**
3. **The Board declines to approve for funding those proposals categorized by the TRP as ‘Recommended Category 3A’ as indicated in Annex 1, 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 1, although the applicant is strongly encouraged to resubmit the proposal through the Rounds-Based Channel following major revision.**
5. **The Board declines to approve for funding the proposal categorized by the TRP as a ‘Recommended Category 4’ as indicated in Annex 1.**

This decision does not have material budgetary implications.

PART 2: BACKGROUND

2.1 This report presents the TTRP funding recommendations for Wave 6 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 6 RCC TRP meeting

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

2.2 Annexes 1 and 2 are provided with this report. Annex 3 is provided on a confidential basis in electronic format as supplementary documentation to Board members.

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

2.4 The Board is also requested to consider and vote on the separate and related decision point relating to granting the proposal recommended in Category 3B additional time to submit a Round 9 proposal. This vote, taken electronically, will require an affirmative vote by members and hence does not appear in this document.

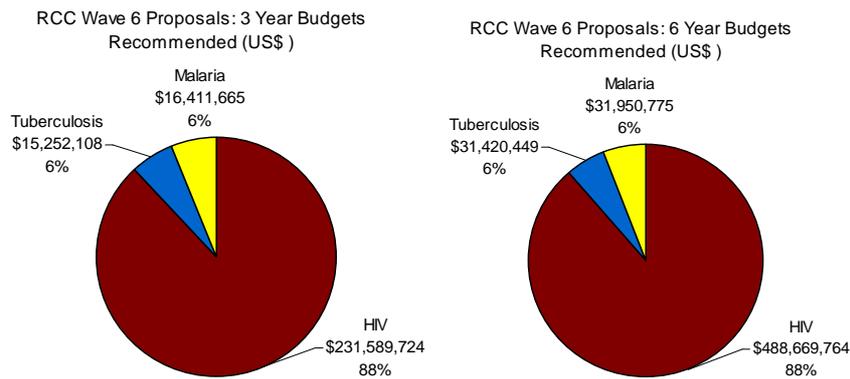
PART 3: TRP RCC WAVE 6 RECOMMENDATIONS TO THE BOARD

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

- i. US\$ 263 million for three years; and
- ii. US\$ 552 million for six years.

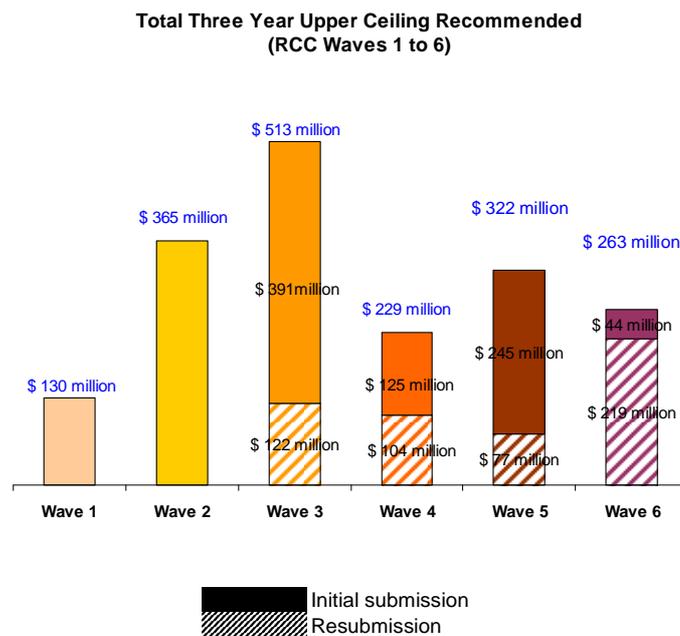
3.2 This represents 64 percent and 62 percent respectively of the total upper ceiling of funds requested for the first three years and for the total six years by the fifteen Wave 6 RCC applicants. Figure 1 below summarizes the breakdown of proposals recommended by the TRP.

Figure 1 - Wave 6 RCC TRP recommendations



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

Figure 2 - TRP recommendations Wave 1, 2, 3, 4 and 5 compared to Wave 6 by total three year requests



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 6 recommendations

Disease Proposal	Number Reviewed	Number Approved	Approval Rate	3 Year Upper Ceiling Budget Recommended	6 Year Upper Ceiling Budget Recommended
HIV	7	5	71%	\$231,589,724	\$488,669,764
TB	4	3	75%	\$15,252,108	\$31,420,449
Malaria	4	1	25%	\$16,411,665	\$31,950,775
Total	15	9	60%	\$263,253,497	\$552,040,988

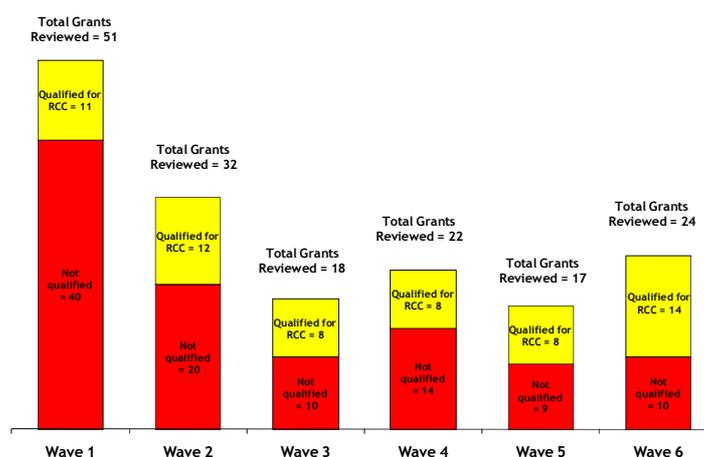
PART 4: SECRETARIAT ROLE IN RCC WAVE 6

RCC qualification, invitations and closing date

4.1 As demonstrated by Figure 3 below, ten of a possible 24 grants (47 percent) expiring between January and June 2009 were invited by the Secretariat to apply under Wave 6. All ten invitees chose to apply.

4.2 All five countries with the option to resubmit their proposals from Wave 4 chose to resubmit in Wave 6.

Figure 3 - Determination of Qualification for RCC Waves 1, 2, 3, 4, 5 and 6



Proposal screening for Eligibility and Completeness

4.3 The Secretariat undertook the standard RCC proposal screening process to ensure that each proposal was complete² 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 fifteen Wave 6 RCC proposals were forwarded to the TRP for review.

PART 5: PROPOSAL REVIEW PROCESS

² The five 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 4 proposal review process.

TRP Membership

5.1 In accordance with the TRP Terms of Reference, sixteen TRP reviewers listed in Annex 2 to this report reviewed the eligible proposals. 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 5 Proposals

5.2 Each RCC Wave 6 proposal was reviewed by four TRP members; two disease-specific experts and two cross-cutting experts.

5.3 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).

5.4 Proposals could be recommended by the TRP in one of the four categories identified in the TRP's Terms of Reference.³ All decisions of the TRP were achieved by consensus.

5.5 The fifteen Wave 6 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, did not take into account availability of funds.

PART 6: TRP OBSERVATIONS FROM WAVE 6 RCC PROPOSAL REVIEW

TRP General Feedback on the Wave 6 Proposals

6.1 The cumulative success rate across RCC Waves 1 to 6 for 'first time' RCC applicants, as presented in Table 2 below, remains at 49 percent (or 25 out of 51), suggesting that initial RCC proposals continue to demonstrate significant weaknesses. As in RCC Wave 5, only one resubmitted proposal was not recommended for funding.

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%
Wave 6	10	5	49%	5	4	88%	60%	39 of 67; 58%

6.2 The TRP made the following observations regarding strengths and weaknesses of the proposal reviewed:

³ Decision Point GF/B16/DP8

Key strengths in RCC Wave 6 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;
- Changes in scope and scale are clearly demonstrated and well explained;
- Key identified vulnerable populations are addressed through appropriately targeted interventions;
- Situational analysis is presented and forms the basis of the proposed activities;
- Attempt to demonstrate the impact of previous Global Fund grant;
- Consideration of existing national disease-specific strategic plans;
- Important efforts to address challenges experienced during the implementation of the previous grants;
- Appropriate level of detail in the financial gap analysis and needs' assessment;
- Prevention focuses appropriately on most at risk groups and is implemented by civil society groups and NGOs;
- Gender analysis that takes into account needs of men and boys as well as women and girls;
- HIV/AIDS and tuberculosis proposals address links between tuberculosis and HIV;
- Proposal development based on a broad participation of stakeholders;
- Proposed Principal Recipient (PR) has a proven track record for implementation;
- Strong demonstrated commitment from the national government as evidenced by the documented cost-sharing of the proposal activities; and
- In the case of re-submissions, the proposals adequately addressed the weaknesses identified in the previous review.

Key weaknesses in RCC Wave 6 proposals not recommended for funding

- No clear analysis of the achievements of the original grant;
- Geographic and programmatic gaps in the current activities not clearly articulated or are missing, making it difficult to understand the value added of additional funds;
- The financial gap analysis does not reflect how funding from the Global Fund complements domestic resources, nor are assumptions provided reflected;
- Activities are poorly described and not well articulated; budgets, activities and specific details in annexes regarding supplies not aligned;
- The proposal is incomplete with gaps, unfinished tables and lacking in presentation of essential elements such as a mapping of existing grants by program areas;
- hastened consultative processes with critical stakeholders and/or narrow range of stakeholders proposed as implementers;
- Government commitment not reflected in the amount and source of national funding (comprising loans and debt relief);
- Objectives do not have clear targets making performance measurement problematic;

- Process indicators provided for the expiring grant have an achievement above 100 percent, suggesting an under targeting or unreliable baseline data;
- Budget does not consider the current burn rate of the existing grant; and
- Although consolidation of activities with previous grant is mentioned, no plan is presented.

Lessons Learned from RCC Wave 6 Proposal Review

RCC Selection Criteria, Proposal Form and presentation of existing Global Fund activities

6.3 The TRP found the overall quality of the performance frameworks presented as poor. Monitoring and evaluation (M&E) capacity is still weak and predominantly dependent on process rather than outcome and impact indicators. Given that the qualification of grants invited to submit an RCC proposal depends on demonstrated evidence (or demonstrated potential) for impact, countries should be provided with more robust M&E outcome indicators. The TRP remains concerned that until M&E indicators are refined, the selection of countries for the RCC funding window remains questionable.

6.4 As with the previous RCC Waves, the TRP continues to find it challenging to assess the additionality of funding requests. This is especially true with 8 Round-based funding processes and 5 waves of RCC funding processes completed. Linking on-going grants to the RCC proposal frequently does not provide sufficient information to assess whether amounts requested will be truly additional or duplicative. Since the current Proposal Form does not adequately address this issue, applicants are encouraged to consider a template (available on the Global Fund website) to clearly demonstrate the links between existing grants and the new proposals.

6.5 In addition, the TRP continues to note that lessons learned and experience gained from previous or on-going activities is not well incorporated into proposals and that the explanations for new interventions is often not clearly articulated.

Proposal Quality

6.6 Noting that the overall quality of proposals received was below their expectations, the TRP found a few cases where proposals were incomplete and appeared to have been prepared under very tight timelines.

6.7 Some of these weak proposals came from applicants with a history of successful proposals in recent funding windows, raising questions about the quality of technical assistance received in writing RCC proposals.

6.8 Proposals received from the Latin America and Caribbean region continue to fall short in quality, an observation made by the TRP in previous RCC and Rounds-based reports. The overall success rate of proposal from Latin America and the Caribbean in the last 8 Rounds was 37 percent. Of the 21 RCC proposals submitted to date, 10 have been successful (48 percent success rate). The TRP recommends further investigation as to why proposals from this region have been so unsuccessful.

6.9 In general, the TRP recommends that efforts be made to ensure countries receive quality proposal development support, especially for applicants with low proposal success rates. The TRP encourages partners to ensure that sufficient and targeted technical assistance be provided.

Grant Consolidation

6.10 The TRP continues to advocate for grant consolidation, taking into account the Global Fund's current plan to introduce a single-stream of funding, seek efficiency gains, and develop options to access funding through a national strategy application process.

6.11 As with the previous RCC wave, one applicant submitted a proposal that included a grant consolidation approach. While not invited to submit a consolidated proposal by the RCC qualification panel, the applicant did submit a partially consolidated proposal in response to the TRP's recommendation in a previous review of the same proposal.

6.12 The TRP recommends that clear guidance be provided to applicants on how best to present a consolidated proposal and that the proposal form be adapted to allow for this. It was apparent that grant consolidation, in particular when only a portion of a previous grant was being included for consolidation, continues to be an issue for applicants.

Green Light Committee Fees

6.13 The TRP, appreciating the value of assistance provided by the Green Light Committee (GLC), recommends a review of the policy requiring applicants to include a USD \$50,000 flat fee for each proposal year in which funds are requested for multi-drug resistant tuberculosis (MDR-TB) activities, regardless of the number of patients expected to be enrolled. In one case with minimal patients, the fixed fee represented a large portion of the funding request and distorted the budget.

6.14 Perhaps a sliding flat fee scale could be implemented to take into account the number of patients expected to be enrolled in treatment during the proposal. The TRP also recommends that the USD \$50,000 flat fee be excluded from the 140% Phase 1 cap, in particular for those proposals with a modest budget.

Rating Categories

6.15 The TRP noted the current recommendation categories for RCC do not adequately address situations encountered during its review of RCC 6 proposals. The current review categories do not allow the TRP to reject a technically unsound proposal as the current Category 4 only refers to a situation in which a proposal is materially different and therefore rejected.

6.16 In once such case, the TRP used 'Category 4' while clearly documenting their reasons in the TRP Rolling Continuation Review Form for rejecting the proposal on technical grounds.

6.17 The TRP recommends that the recommendation categories for RCC be reviewed as soon as possible to allow the TRP to reject proposals which are not materially different from the original proposal, but are technically unsound.

Independent Budget Reviews

6.18 As with the previous RCC Wave, the TRP has requested that the Secretariat obtain an independent financial review of the funding request for one proposal as part of the clarification process. The TRP members again discussed the merits of an independent financial review for those requests that are particularly large and/or complex. It was suggested that this practice be extended more widely, not only for very large budgets but also for more complex cases or where some costs prove difficult to interpret.

New Policies and Strategic Directions

6.19 While Wave 6 represented the third RCC Wave to use the revised proposal form encouraging the inclusion of both health systems strengthening (HSS) and community systems strengthening (CSS) activities, none of the applicants included a separate request

for HSS cross-cutting interventions. This was also true in the previous two waves of the RCC.

6.20 As with the previous waves, the TRP deemed this wave of proposals to be gender neutral. The panel did not observe many specific requests to support gender-sensitive interventions, other than standard targeting of pregnant women, female sex workers and sexual minorities as vulnerable populations.

Exceptional Request: Extending Round 9 Deadline for a Category 3B

6.21 In its review of one resubmission from Wave 4, the TRP determined that significant weaknesses precluded a regular clarification process and as such, classified the proposal as a 'Category 3B,' making it ineligible for a resubmission.

6.22 Due to the current policy on RCC resubmissions (i.e. one resubmission only), the approaching Round 9 deadline and the yet to be determined date for Round 10, the TRP recommends that on an exceptional basis that Country Coordinating Mechanism (CCM) be granted an extension to submit a Round 9 proposal, taking into account the TRP recommendations.

6.23 Recognizing that this would require a Board decision, the TRP recommends the following decision point, which will be presented by email for an affirmative vote of the Board:

Decision Point:

The Board approves, on an exceptional basis, a five week extension (i.e. 8 July 2009) for the Nicaraguan Country Coordinating Mechanism (CCM) to submit a Round 9 malaria proposal.

RCC Meeting and Secretariat Support

6.24 The TRP members concurred yet again that the RCC meeting procedures were more satisfying in terms of a balanced workload and fewer participants, permitting more substantive discussions in plenary sessions.

6.25 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	Source	Country	World Bank Income Classification*	WHO Region	TGF Cluster	Componet	Year 1	Year 2	Year 3	3 Year (Phase 1) USD	Total up to 6 Years (Lifetime) USD	TRP Recommended Reduction as Applicable (Total 3 Years) USD	TRP Recommended Reduction as Applicable (Lifetime) USD	TRP Recommended Upper Ceiling (Total 3 Years) USD	TRP Recommended Upper Ceiling (Lifetime) USD	
Category 2 - USD																
1	CCM	Bangladesh	Low	SEARO	SWA	HIV	\$7,214,430	\$10,223,404	\$11,258,037	\$28,695,871	\$81,312,404	\$0	\$0	\$28,695,871	\$81,312,404	
2	CCM	Belarus	Lower-middle	EURO	EECA	HIV	\$2,865,913	\$3,173,727	\$2,352,175	\$8,391,815	\$14,340,567	\$0	\$0	\$8,391,815	\$14,340,567	
3	CCM	Guyana	Lower-middle	AMRO	LAC	HIV	\$6,105,639	\$6,801,501	\$7,482,996	\$20,390,136	\$47,035,818	\$0	\$0	\$20,390,136	\$47,035,818	
4	CCM	India	Low	SEARO	SWA	HIV	\$50,636,993	\$51,881,837	\$53,146,498	\$155,665,328	\$302,056,162	\$0	\$0	\$155,665,328	\$302,056,162	
5	CCM	Nepal	Low	SEARO	SWA	Malaria	\$5,911,125	\$5,214,127	\$5,286,413	\$16,411,665	\$31,950,775	\$0	\$0	\$16,411,665	\$31,950,775	
6	CCM	Rwanda	Low	AFRO	EA	Tuberculosis	\$2,631,872	\$1,444,404	\$2,387,794	\$6,464,070	\$13,700,861	\$0	\$0	\$6,464,070	\$13,700,861	
7	CCM	Paraguay	Lower-middle	AMRO	LAC	Tuberculosis	\$902,750	\$679,374	\$664,376	\$2,246,500	\$5,481,613	\$0	\$0	\$2,246,500	\$5,481,613	
Category 2 -Euro**																
Category 2 - USD Equivalent																
8	Sub-CCM	Russia	Upper-middle	EURO	EECA	Tuberculosis	€1,385,787	€1,905,108	€1,674,132	€4,965,027	€9,288,623	€0	€0	€4,965,027	€9,288,623	
9	CCM	Georgia	Lower-middle	EURO	EECA	HIV	€3,171,419	€4,651,569	€6,177,962	€14,000,950	€33,338,933	€0	€0	€14,000,950	€33,338,933	
Recommended Proposals							Total in USD	\$84,904,818	\$89,501,351	\$95,311,398	\$263,253,497	\$552,040,988	\$0	\$0	\$263,253,497	\$552,040,988
Category 3A - USD																
10	CCM	Guatemala	Lower-middle	AMRO	LAC	HIV	\$12,158,990	\$14,562,360	\$18,425,567	\$45,146,917	\$128,626,018					
11	CCM	Guyana	Lower-middle	AMRO	LAC	Malaria	\$598,053	\$498,007	\$517,077	\$1,613,137	\$3,190,366					
12	CCM	Serbia	Lower-middle	EURO	EECA	Tuberculosis	\$954,203	\$757,351	\$611,036	\$2,322,590	\$4,079,183					
13	CCM	Tanzania	Low	AFRO	EA	HIV	\$30,667,006	\$29,796,336	\$26,912,105	\$87,375,447	\$179,561,553					
Category 3B - USD																
14	CCM	Nicaragua	Lower-middle	AMRO	LAC	Malaria	\$2,859,143	\$2,022,024	\$1,578,241	\$6,459,408	\$10,172,464					
Category 4 - USD																
15	CCM	Madagascar	Low	AFRO	EA	Malaria	\$2,856,054	\$1,911,314	\$1,995,678	\$6,763,046	\$6,763,046					
Not Recommended Proposals							Total in USD	\$50,093,449	\$49,547,392	\$50,039,704	\$149,680,545	\$332,392,630				

Global Fund Clusters:

EA	East Africa & Indian Ocean
EECA	Eastern Europe & Central Asia
LAC	Latin America & the Caribbean
SWA	South and West Asia

* As determined for the purposes of establishing country income-level eligibility for this RCC Wave 6. Classification was based on the list published by the World Bank in July of 2007.

**Proposals in EURO = UN official exchange rate effective from 1 April 2009 = 1USD = 0.759 EURO

