



**REPORT OF THE SECRETARIAT AND THE TECHNICAL REVIEW PANEL ON
ROUND 2 PROPOSALS**

Outline: This paper has been written as a joint Secretariat-TRP report. It aims to provide the Board with an overview of the Round 2 proposals process, the TRP recommendations for funding as well as lessons learned. Several annexes support this report and are provided in a CD-ROM.

- Annex I: List of proposals reviewed by the TRP, ordered alphabetically
- Annex II: List of components reviewed, classified by category
- Annex III: List of all non-eligible proposals, with justification
- Annex IV: TRP reports for all reviewed components, classified by region
- Annex V: Executive Summaries for all reviewed proposals and full text of all recommended proposals, classified by region

Summary of Decision Points:

1. **The Board is asked to approve for funding proposals recommended by the Technical Review Panel**, with the clear understanding that budgets requested are upper ceilings rather than final budgets.
2. **The Board is asked to acknowledge the lessons learnt** of the Secretariat and the TRP during this process and allow adequate measures to be taken to improve Round 3.

Part 1: OVERVIEW

1. On the 2nd of July, 2002, the Global Fund issued the second Call for Proposals using the revised forms and guidelines. This was channelled through a series of networks, including Health and Foreign Affairs Ministries, the Global Fund website, as well as the main partners and their country offices.
2. The guidelines and forms had been revised, requesting greater detail on CCMs, the country context, targets and indicators as well as implementation systems such as Monitoring and Evaluation and procurement.
3. During the proposal preparation phase the Secretariat participated in several regional consultations, briefing countries on the new guidelines and forms as well as on the Fund's principles in general.
4. Countries were given a total of 3 months preparation time with a deadline of 27th September 2002. In total 177 proposals were received by the Secretariat from 100 countries. Of these 97 were CCM applications, the balance came from Regional Organizations and NGOs. 229 components from 111 proposals were submitted to the TRP.
5. The TRP is recommending 98 components in 61 countries¹, for a total value of USD 2,045 million over 5 years and USD 860 million over two years for funding. Similarly to Round 1, the largest share of funding targets Africa and HIV/AIDS.

Part 2: PROPOSAL RECEIPT AND SCREENING

6. The Secretariat screening process was more thorough in Round 2, mainly because of the improved guidelines and forms. The secretariat used straight-forward screening criteria to ensure transparency and consistency. It focused on the following items:
 - **Source of Proposal:** The revised guidelines are quite clear as to which type of applicant is eligible. For CCM applications, the secretariat checked the inclusiveness of their membership through members' list, signatures, as well as minutes of meetings. For non-CCM applications within a country, applications were screened against the three exceptional circumstances for submitting outside a CCM, as stipulated in the guidelines, i.e. i). countries without legitimate governments ii). countries in conflict or facing natural disasters iii). countries that suppress or have not established partnerships with civil society and NGOs. Finally, for multi-country proposals, endorsements by the Chair or Vice-Chair of the CCM was required from all the countries targeted in the proposal.
 - **Scope of proposal:** Only proposals targeting one of the three disease are eligible. Pure research and pre-investment projects were also screened out.

¹ In addition, 1 regional proposal is being recommended including South Africa, Mozambique and Swaziland and 1 regional CCM proposal is being recommended covering the Western Pacific Islands.

- **Completeness of Proposal:** The proposal must be reasonably complete, with all questions covered, including budgets, signatures and attachments.

7. With the availability of a well functioning database, the Secretariat was able to capture key proposal information such as detailed budgets with expenditures breakdown and partner allocations by component. The Secretariat, with six full time staff, had five weeks to screen received proposals and to communicate with countries for further clarifications.

2.1 Outcome of the screening process

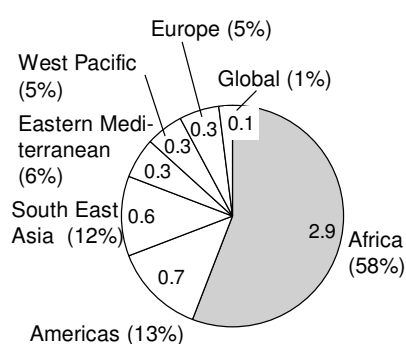
8. Of the 177 proposals received, 66 were screened out by the Secretariat. The screened out proposals were mainly from NGOs or Regional Organizations that did not have CCM endorsements or did not give any clear reasons for not applying through CCMs; one was from a DAC country ; and one application was seeking funding to organize a regional CCM. (See Annex III for a list of non-eligible proposals).
9. A total of 229 components from 111 proposals were screened as eligible for review by the TRP. The regional, disease and source of application split is shown in Exhibit 1.

Exhibit 1

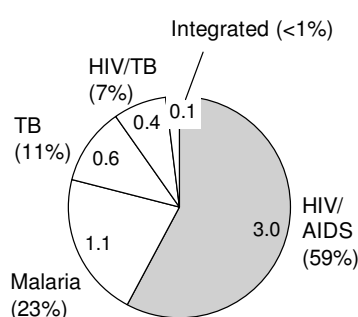
229 components requesting a total of USD 5.1 billion over five years were submitted to the TRP*

100% = USD 5.1 billion

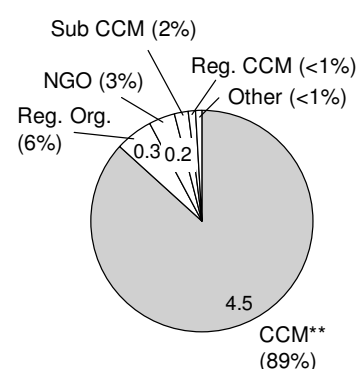
Regional split



Disease component split



Source of application split



* 2.0 billion requested for first 2 years

** CCM proposals all include NGO members as well as sub-components from NGOs as part of the broader CCM proposal

10. Prior to the TRP, they were forwarded to a WHO/UNAIDS working group to examine them for a) accuracy of the baseline data and country situation analysis provided by the applicant; b) accuracy of the data provided on additionality of requested funds; c) information of relevance for the evaluation by the TRP of the absorptive capacity of requested funds. The output of this exercise was a one page summary by component, which was included in the overall documentation provided to the TRP.
11. Feedback from the Round 2 process shows , in general, a significant improvement over Round 1
 - The revised guidelines were deemed more transparent and understandable to applicants.
 - Applicants had three months to prepare proposals vs. one month in Round 1.
 - WHO/UNAIDS further strengthened their support to countries during the preparation phase e.g. regional meetings, peer review in SEARO.
 - Organizational improvements have enabled the Secretariat to
 - Acknowledge all proposals within one week of the submission deadline
 - Screen all proposals in time allocated, and, where necessary, request further information from applicants
 - Inform quickly all ineligible applicants on their status.

Part 3: THE REVIEW PROCESS

12. The TRP met in Geneva from Monday, November 4 to Friday, November 16, 2002. The panel comprised 22 members, including:
 - Prof. Michel D. Kazatchkine (AIDS expert, France, Chair), Dr Alex Coutinho (AIDS expert, Uganda, co-Chair);
 - 5 additional AIDS experts: Elhadj Sy (Senegal), Dr Valdilea Veloso dos Santos (Brazil), Prof. KongLaï Zhang (China), Kasia Malinowska-Sempruch (Poland), Prof. Hakima Himmich (Morocco);
 - 4 malaria experts: Peter Kazembe (Malawi), Prof. Giancarlo Majori (Italy), Hassan Mshinda (Tanzania), Jane E. Miller (U.K.);
 - 4 tuberculosis experts: Dr Paula Fujiwara (USA), Fabio Luelmo (Argentina), Prof. Toru Mori (Japan), Dr Gulshan R. Khatri (India);
 - 7 cross-cutting experts: Dr Jonathan Broomberg (South Africa), Peter Sandiford (U.K.), Usa Duangsaa (Thailand), Richard Skolnik (USA), Dr Wilfred Griekspoor (Netherlands), Dr Ranieri Guerra (Italy), Sarah Julia Gordon (Guyana).
13. Five members of this panel (Jonathan Broomberg, Hakima Himmich, Giancarlo Majori, Toru Mori, and Richard Skolnik) had not participated in the first round of review of the TRP in April 2002.
14. Throughout the meeting, the TRP benefited from the assistance of staff from the GFATM's Secretariat led by Pascal Bijleveld. Experts from UNAIDS and WHO could easily be reached by telephone throughout the two weeks of deliberations of the TRP.
15. The TRP reviewed a total of **229** components from **111** proposals that had been screened by the Secretariat. All applications had further been examined by the WHO-UNAIDS working group.

16. Between **20** and **30** components were reviewed each day. The applications were distributed among four sub-groups of 4 to 6 TRP members, of which the composition was modified twice during the two weeks, to strengthen the consistency of the review process. Each application was extensively reviewed by a disease-specific expert acting as a primary reviewer and a cross-cutting expert, acting as a secondary reviewer, and was also read by all other experts within the sub-group. Working sub-groups met every afternoon for approximately three hours to discuss the applications, and agree on a provisional grading of the components. The sub-group was also presented with a preliminary draft of the report by the primary and secondary reviewers. The entire TRP would then meet for 3 to 5 hours in a plenary session of open debate to agree on the final grading of the proposal and final wording of the report. Proposals were graded into one of four categories (1-4), as requested by the Board. No vote was taken as all decisions of the TRP were achieved by consensus.
17. On the last day of the meeting, the panel reviewed the grading that had been decided upon during the two weeks of work of the TRP. There was a clear consensus of the group on the judgments made. Thus, less than 3% of the scores were revisited (i.e. proposals initially rated as 2 or 3 switched to 3 or 2), after extensive discussions. The proportion of proposals/ components classified in categories 1 and 2 on each day (i.e. the relative success rate) did not differ significantly throughout the two weeks of the review.
18. The TRP had a long and in-depth debate over the final recommendation. It was felt that the four categories were sometimes not homogenous enough and that further sub-categories could be presented. One option was to differentiate between stronger and weaker proposals within Category 2. Another was to prioritize the proposals based on the Global Fund's principles of targeting first and foremost countries with the highest burden and least capacity to mobilize additional resources. It was finally agreed, however, that the TRP would remain within the four categories, as requested by the Board.

Part 4: RECOMMENDATIONS TO THE BOARD

4.1. Overall outcome of the review

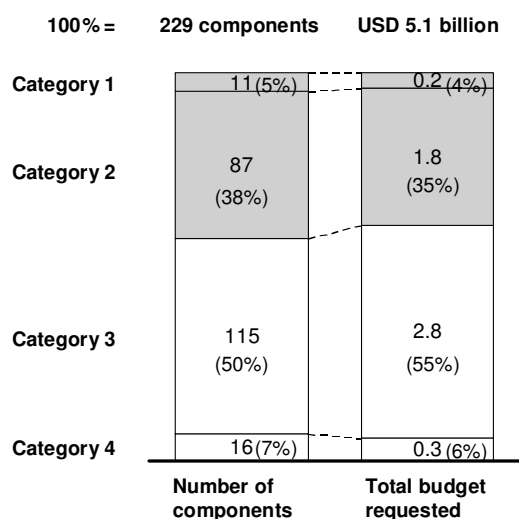
19. Proposals were grouped into one of four categories:
 - **Category 1:** Recommended proposals with no or minor modifications, which should easily be answered within 6 weeks and given the final approval by the TRP Chair and Co-Chair.
 - **Category 2:** Recommended proposals provided clarifications are met within a limited timeframe (6 weeks for the applicant to respond, at most 6 months to obtain the final TRP approval should further clarifications be requested). The primary reviewer, secondary reviewer as well as TRP Chair and/or Co-Chair need to give final approval.
 - **Category 3:** Not recommended in its present form but strongly encouraged to re-submit.
 - **Category 4:** Not recommended for funding
20. Since the overall quality of applications was higher in this Round and since, as can be expected from any review process, only few applications were classified

in category 1 (5%), the applications clustered in categories 2 and 3, category 2 representing 38% and category 3 representing 50%. Only 7% of proposals reviewed by the TRP were graded as 4 (Exhibit 2). A full list of all components reviewed, classified by category, can be found in Annex II.

Exhibit 2

Outcome of the review process

Recommended



21. Proposals in Category 1 were considered strong proposals. They corresponded to the criteria set out by the Fund's guidelines.
22. Category 2 proposals were also considered as good proposals that were relevant in terms of addressing the disease burden in that particular context; comprehensive with a good overall balance between prevention and treatment, additional to either other programs or other sources of funding; well-structured work-plans; and in general fulfilling the criteria as spelled out in the Annex to the Guidelines for Proposals. The TRP, however, requested a re-review of the clarifications and/or additional information by the primary and secondary reviewers before final approval. These concerned mainly targets, budgets, greater details of the situational analysis and work-plan, as well as clarifications on the Monitoring and Evaluation section.
23. Components classified in Category 3 were considered of relevance to the Fund. The TRP could not, however, recommend them in their present form and it was felt that the clarifications requested could not be adequately handled within 6 weeks. It is hoped that the TRP's feedback, as well as increased technical assistance for some of these countries will help these proposals be successful in subsequent rounds. Weaknesses in this category included poorly justified or inappropriate budgets, lack of clear work-plans, insufficient evidence for additionality and, in general, insufficient detail for the TRP to assess the feasibility of the program.
24. Category 4 proposals are proposals the TRP felt should not be encouraged to resubmit. Most of these were regional proposals, which failed to demonstrate an added value in their approach. Other reasons range from unsound strategies to a lack of an evident coordinated national approach.

25. The outcome of Round 2 cannot be directly compared to that of Round 1, as the categorization process was somewhat different. However some comparisons can be made:

- The overall success rate in terms of components was significantly higher in Round 2 (43% in Round 2 versus 30% in Round 1). In terms of budgets however, the rates are closer (40% in Round 2 versus 37% in Round 1).
- The main difference lies in the distribution of proposals within Category 1 and 2. In Round 1, more proposals were graded a 1 than a 2 (19% of 1s in Round 1 versus 5% in Round 2). With experience, however, the TRP has realized that reviewing clarifications often requires the expertise of the primary and secondary reviewer as well as that of the Chair and Vice-Chair. Thus in Round 2, the guiding differentiating factor between Category 1 and Category 2 was whether the clarifications requested warranted a re-review by the primary and secondary reviewers as well as the Chair and Vice-Chair.

26. In general proposals that were re-submissions had a higher success rate than first-time submissions. As mentioned earlier the overall success rate of components was 43%. With first-time submission, the rate was at 35%, whereas it was at 55% for re-submitted proposals that were graded in Category 3 in Round 1.

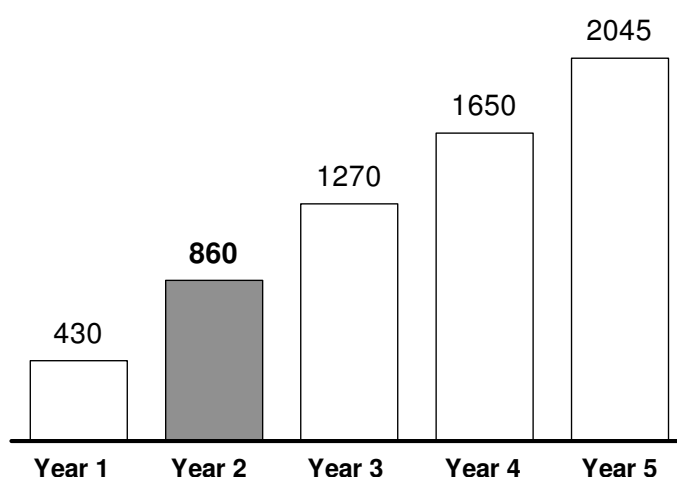
4.2. Successful proposals

27. The total budget requested in the applications classified as Categories 1 and 2 amounts to **USD 2,045 billion**, with the first two-year budget amounting to **USD 860 million** (Exhibit 3).

Exhibit 3

Budget requests for recommended proposals

Cumulative budget of recommended 2nd round proposals
USD millions

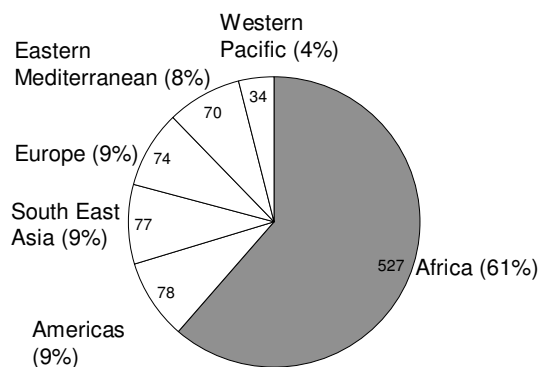


28. Of the 98 recommended components from 62 countries, the regional and disease distribution corresponds to the relative burden of disease by region and disease category, as shown in Exhibits 4 and 5.

Exhibit 4

Recommended proposals by region – largest share towards Africa

Recommended budgets by region
100% = USD 860 million



Recommended components by region
100% = 98 components

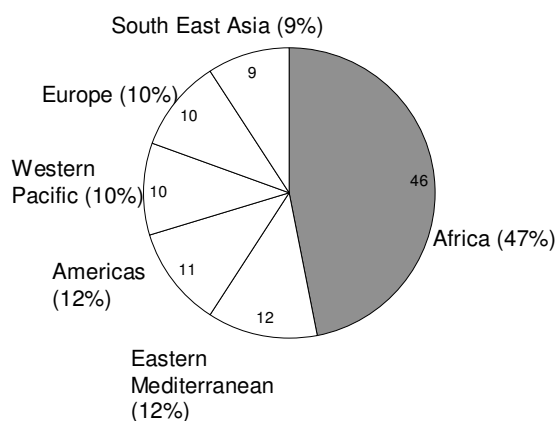
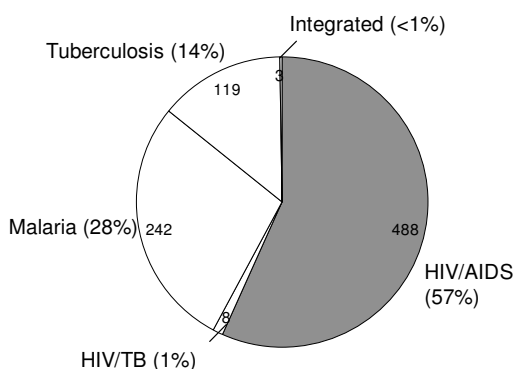


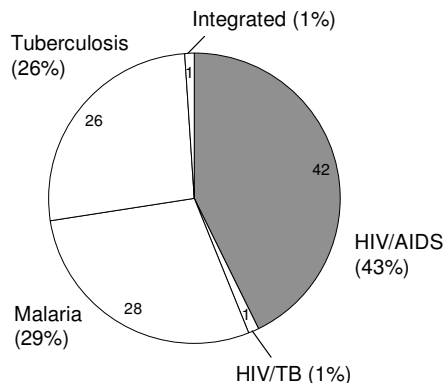
Exhibit 5

Recommended proposals by disease – largest share towards HIV/AIDS

Recommended budgets by disease
100% = USD 860 million



Recommended components by disease
100% = 98 components



29. Interestingly, combined Round 1 approvals with Round 2 recommendations, shows a balancing between the three diseases, with, for example, a significant

increase in successful malaria proposals relative to Round 1. Similarly, a balance occurred with regards to the Eastern Mediterranean Region (Exhibits 6 and 7).

Exhibit 6

Consolidated Round 1 and Round 2 view by disease

USD million

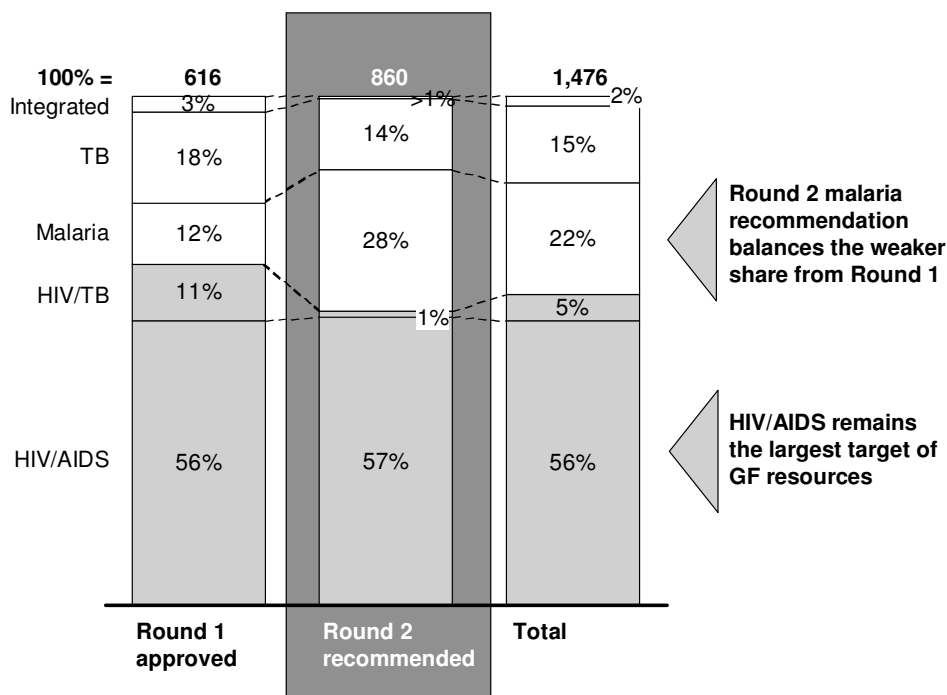
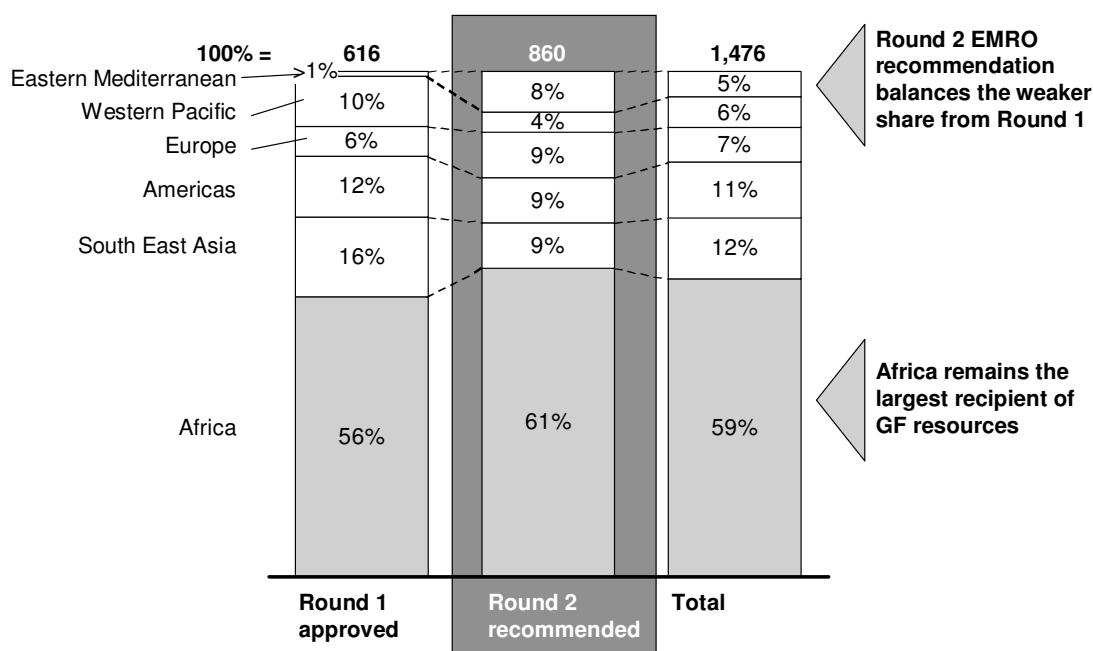


Exhibit 7

Consolidated Round 1 and Round 2 view by region

USD million



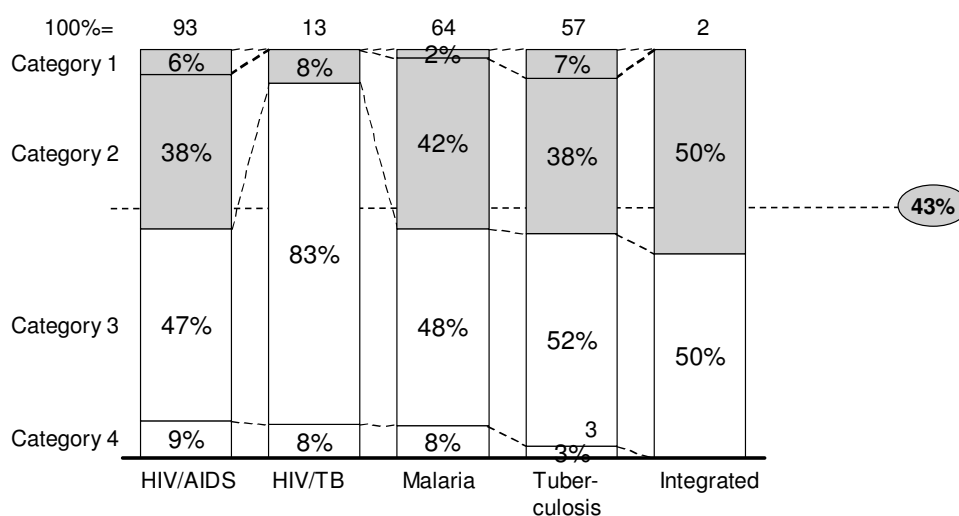
30. Exhibit 8 shows the relative success rate of applications according to disease category. All diseases had a similar success rate, except for HIV/TB, which was felt by the TRP not to be a useful component (see paragraph 41 for further details).

Exhibit 8

Similar success rate by disease with the exception of HIV/TB components

Percent, number of components

Recommended

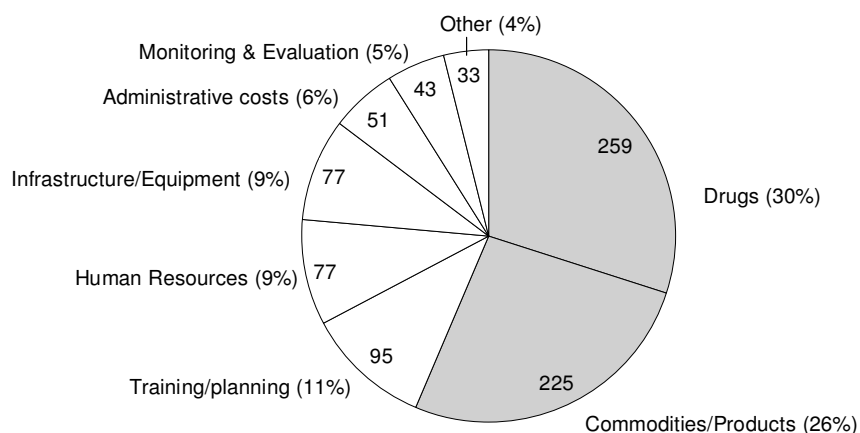


31. Similarly to Round 1, a large portion of the budget requested will go towards drugs and commodities, as Exhibit 9 shows.

Exhibit 9

Majority of funds for drugs and commodities

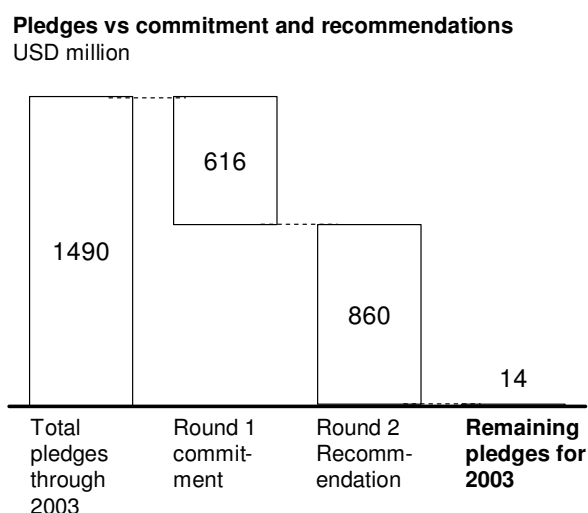
Expenditure items for recommended components
100% = USD 860 million



32. While the Global Fund has sufficient pledges to commit to all recommended proposals, this may leave inadequate resources for Round 3, unless further resource can be mobilized in the coming months. The following Exhibit shows that USD 14 million would be left in terms of pledges for 2003 needed to cover a Board approval of Round 3 (Exhibit 10)².

Exhibit 10

Further pledges will need to be received by October if Round 3 is to materialize



33. In the event that the Board decides not to approve all recommended proposals, both the TRP and the Secretariat urge it to prioritize proposals based on the Global Fund principles as laid out in the framework document as well as the guidelines for proposals. Thus, priority should be given to countries with the highest burden of disease, including countries with high potential risks, on the one hand and the least ability to mobilize additional resources to fight these diseases on the other hand.
34. The Secretariat is in the process of developing a matrix taking into account different disease and poverty indicators to allow the Board to make an informed decision.
35. A number of recommended components require budget revisions, as stated in the TRP's feedback to countries. Also, in many instances, the TRP had insufficient time to validate detailed budgets, especially given that, for instance, prices of ARVs are constantly changing and unit costs of a number of commodities differ greatly between countries. For these reasons, and because the Fund is still in its learning phase, the TRP and the Secretariat would like to **strongly recommend that the Board approve components with the understanding that budgets requested represent an upper ceiling and they should not be considered as final until the end of the negotiation phase of the Fund with the recipient country. This should be also clearly communicated to all applicants of approved proposals.**

² Pledges as of January 1st, 2003; pledges net of operating expenses

Part 5: LESSONS LEARNED AND ISSUES FOR DISCUSSION BY THE BOARD

5.1. Content of proposals

36. **Overall quality of applications** The TRP considered that the overall quality of applications was better than in Round 1. The applications were written in a more professional fashion. The quality of the discussions during plenary sessions was also felt as stronger than in Round 1. The TRP may also have been more demanding since the overall rate of acceptance only slightly increased as compared with that in Round 1.
37. **Feasibility and sustainability.** The major concern has consistently been in human resources. The information provided by WHO and UNAIDS on feasibility and sustainability was useful to the group. It was, however, often considered insufficient to help in a critical assessment of the absorptive capacity of applicant countries. **Further discussions are needed to optimize the input of the technical panel that WHO and UNAIDS had constituted** to help the TRP.
38. **Budgets.** As mentioned earlier, budget is a major concern to the TRP. While in many instances, the TRP has provided specific comments on the budget to some applicants, it is however not equipped to perform a thorough and systematic budgetary evaluation of each component. As budgets are often very significant, it could be misleading to approve budgets strictly based on the applicant's request. In future Rounds, **the TRP feels that the Board will either need to accept that it is not approving final budgets but rather an upper ceiling, which can still be negotiated between the applicant and the Fund during the grant negotiation phase, or modify the entire review process to allow sufficient time to thoroughly review all budgets prior to Board submission.**
39. **Technical assistance.** The TRP felt that there were still countries in great need because of high burden of disease and high poverty which should have benefited from stronger technical assistance to design an action plan and write the proposal. **It is suggested to the Board that the GF acts pro-actively to help these countries in need**, rather than being a "passive" body which only reviews applications that are sent in. Countries in this category include Chad, Equatorial Guinea, East Timor, Eritrea, Liberia, Sierra Leone.
40. **CCM composition.** There is still unclarity as to how non-technical aspects of proposals should be treated by the TRP. While the Secretariat did examine CCM compositions, signatures as well as minutes of meetings during the screening phase, the timing does not allow it to look beyond what is in the proposal form. Under these criteria all CCMs were deemed eligible for review by the TRP. What is on paper, however, may not be representative of the realities on the ground. While the TRP did not examine CCMs to decide whether to recommend or not a proposal, in some instances, the TRP reports do ask countries to clarify the membership of their CCM. In the future more upfront work will be required to assess the quality of CCMs and as grant negotiations and implementation proceeds, CCM performance will need to be closely monitored and factored into the periodic program assessments. The Governance and Partnership Committee is addressing this issue more closely.

41. **Joint HIV/TB components.** The joint HIV/TB applications performed poorly in the review by the TRP (see also Exhibit 8). Although the TRP recognizes that considering these two diseases together should be a priority in public health programs of countries severely affected by HIV/AIDS, these applications appeared to us as having been written by either TB or HIV/AIDS specialists without a true focus on the specificities of TB in the context of an expanding AIDS epidemic. **The TRP thus questions whether such joint applications should be encouraged in the next Rounds of applications to the Global Fund.**
42. **Implementation.** In the situation analysis, the TRP felt that insufficient information was provided with regards to milestones reached and difficulties encountered in the implementation of the national programs and of other ongoing programs (e.g. World Bank-funded programs). This information is critical to assess the implementation feasibility of a proposed program and it is suggested that it should be requested in greater detail for the next Round.
43. **Monitoring and Evaluation.** This was often a weak part of the applications. It appeared that many applicants were unclear on whether to provide information on the overall country M&E system or to spell out M&E as it relates to the proposal activities. Further guidance and clarity should be provided in the revised guidelines.
44. **Private sector.** When relevant, the specific role of the private sector in the delivery of care was often insufficiently described in the applications. This was particularly true in some of the proposals on TB.
45. **Overall comment of proposal forms.** **The proposal forms have been significantly improved** between the two Rounds. There is still **insufficient emphasis given in the proposal form to the actual workplan** that is proposed. The TRP would wish more detailed information on the modalities and suggested calendar of implementation of the work-plan. It is also still unclear from the current proposal form, how gaps in the ongoing programs are identified and what is meant by “coverage”. Thus, in many instances, the TRP would have wished to have a detailed description of what is being done and what has been achieved in terms of coverage, rather than a plain statement that such or such area is indeed “covered” by the national program (this is particularly true in the area of harm reduction). The TRP will provide further input to the Secretariat and the Committee on Portfolio Management and Procurement in support of the revision and improvement of the guidelines and forms for Round 3.

5.3. TRP process

46. **TRP Reporting forms.** The report was considerably improved as compared with the reports in Round 1 of review. Special attention was given this time by TRP members to the sections on page 1 of the report form, i.e., the “executive summary”, the section on “strengths and weaknesses”, and that on “clarifications required”.
47. The TRP found it difficult to give a quantitative score to items 1, 2 and 4 on page 2 of the report form. The TRP emphasizes that in no instance should these scores provide a basis for grading applications within categories 1 and 2. The

TRP thus used “very poor”, “poor”, “satisfactory”, “good” and “very good” rather than giving a numeric value to items 1, 2 and to 4 of the report form.

48. The TRP had even greater difficulty scoring item 3 on page 2 of the report form, i.e. the item on “potential for sustainability”. The panel decided **not to score item 3 but rather to comment** on political commitment (country and community commitment may in fact be as important to a program as political commitment, and political commitment “on paper” may be quite different from commitment on the ground); on additionality (the TRP found it unclear whether additionality was financial or programmatic and how it could be scaled and scored); and, finally, comment, when appropriate, on the strengths and weaknesses of CCMs.
49. **Conflicts of interest.** TRP members signed a conflict of interest form, similar to that used in Round 1. In addition, the TRP agreed **that no TRP member should act as a consultant for the design or for drafting of applications to the Global Fund while serving on the TRP.** With regards to internal debates of the panel, the TRP decided that personal knowledge of TRP members on a country context could be used to inform the discussions.
50. **Renewal of TRP.** The Panel debated the issue of its renewal. Two key considerations were foremost in their minds: the need for change as requested by the Board in March and the critical issue of institutional memory and consistency. **A rotation of one third of the members between each Round was considered as the best compromise between the need for renewal and that of a memory and consistency in the review process.** A few members of the panel already indicated that they would not be willing to serve on a third Round of review. Most members, however, would be willing to serve for a third Round of review.
51. **TRP strengthening.** The Global Fund is still in a learning process. Once again, though, the TRP felt the heavy burden of the tremendous and intense workload on its shoulders. While disease experts served as primary reviewers for the specific disease-components, all cross-cutting experts served as secondary reviewers. Given their number, they had twice as many proposals to review as the disease-experts. The importance and complexity of these cross-cutting issues, however, warrants greater attention. **It is therefore requested by the TRP to add three cross-cutting members to the panel.**
52. The TRP believes that a fully mature review process should emerge after completion of the next Round of applications.