



Investing in our future

**The Global Fund**

To Fight AIDS, Tuberculosis and Malaria

## The Office of the Inspector General

### THE OIG REVIEW OF THE GLOBAL FUND GRANT APPLICATION PROCESS

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A review by the Office of the Inspector General into whether the existing grant application process is optimised to meet the Global Fund's requirements in adequately supporting funding decisions which match resources to need, and which ensure best impact.

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### I. Executive Summary

1. The Global Fund provides grants on a discretionary basis in support of technically sound and cost-effective interventions for the prevention of infection and the treatment, care and support of persons infected and directly affected by HIV/AIDS, tuberculosis and malaria. Country Coordinating Mechanisms (CCMs) - which are organised with the participation of public and private organisations involved in the fight against the three diseases - prepare country-level proposals and submit them for review and funding.

2. The Global Fund Secretariat reviews proposals against established eligibility criteria. The Global Fund's Technical Review Panel (TRP) reviews eligible proposals and recommends proposals for funding approval by the Global Fund's Board if they meet technical merit criteria.

3. The Global Fund's model provides application-driven assistance to fight the three target diseases, with emphasis on the performance of previous grants to the applicant. The grant application process is thus fundamental to the Global Fund's operations. The quality of grant applications on which funding approvals are based - and the assessment and monitoring of those applications around the approval process - is integral to the success of funding decisions and achievement of the Global Fund's objectives.

4. A review of the grant application process was agreed by the Board to be a priority for the OIG for 2009, to complement a review by the Secretariat of the Global Fund's funding architecture, and wider consideration by the Board in 2010 of eligibility for Global Fund resources. The review assesses current practice in grant applications, and underlying policy. The review considers whether existing arrangements give rise to risks for the Global Fund; and identifies areas, and makes recommendations, for improvement or further consideration.

5. The review focuses on the applications themselves, and the way they are dealt with by the Secretariat and the Technical Review Panel (TRP). The scope of the review excluded examination of proposal development in recipient countries; and excluded also the processes of clarification of proposals and grant negotiation which follow Board approval. All could usefully be made the subject of separate review in due course, whether by the OIG or otherwise.

6. The review is however self-contained, concentrating on specific elements of one key phase of the spectrum of grant management: the application phase. Some of the review's conclusions would almost certainly be further illuminated by considering the circumstances of proposal development, or of grant negotiation; but the OIG found the application phase of proposal management to be a legitimate and valuable subject of study in its own right. The Global Fund's framework document, which emphasises the grant application process - and gives considerable detail about the principles to be applied - provided the starting point for the review.

7. The review additionally examined records of meetings of the Global Fund Board and reports to the Board by its committees since 2002; documentation relating to an audit sample of proposals (selected in order to balance diseases, regions from which proposals were submitted, prior knowledge or lack of prior knowledge within the OIG of grant performance in the recipient country, first and second-time applications and special country circumstances); pre-screening results and the results of review by the Technical Review Panel of individual proposals; grant management reports by the Global Fund Secretariat; and evaluation material, including the Five Year Evaluation and the 2006 Euro Health assessment of proposal management. It included five days of direct observation of the TRP Round 9 meeting in August 2009, and meetings and discussions with TRP members, Global Fund Secretariat staff and staff of international organisations engaged in project development and management.

8. In summary, the detailed findings and conclusions of the review (which incorporate recommended actions) – as set out further below – show that there is clear scope to improve the existing grant application process to provide better support for the Global Fund’s policy objectives and funding decisions. In particular:

- There is scope for the Global Fund to benefit from a more structured relationship between the Board and its committees and the Technical Review Panel to address policy and implementation issues.
- The Board’s governance role would be enhanced by more extensive financial review of funding proposals.
- More effective evaluation of portfolio performance would strengthen the basis on which TRP recommendations are made.
- There would be benefit in the Global Fund carrying out a review of the high rejection rate for proposals, with a view to increasing the simplicity of the proposal process and the availability and effectiveness of technical support to applicants.
- The expertise of Secretariat staff and the Global Fund’s partners needs to be exploited more widely, through closer, more active integration with the various processes involved in the development and review of proposals. (The need for such a ‘dialogue’ was recognised in the February 2010 Board retreat)
- More useful preliminary screening of proposals could be achieved through enhanced review of budgets and other elements, and review of the Secretariat’s role.
- TRP review would benefit from wider contact with, and support from, Secretariat staff and the Global Fund’s partners.
- Some measures are desirable to reduce the present compression and review burden on TRP members, and to facilitate a more effective review of proposals with better feedback to applicants and the Global Fund’s constituents.
- Many of the individual recommendations resulting from this review involve improvements to the present arrangements (for example to simplify and rationalise the applications process, and provide improved technical

assistance) which would themselves facilitate better performance against the Global Fund's key performance indicators and therefore objectives.

9. This OIG report provides the Board with an independent review of the grant application process which, in drawing on evidence obtained, offers an external appraisal of the Global Fund's procedures from an objective standpoint. The findings have been discussed fully with key stakeholders interviewed but without necessarily seeking to obtain agreement or consensus on the conclusions and recommendations, to avoid compromising the report's independence and, ultimately its potential value to the Global Fund.

10. Each recommendation set out in the detailed findings is accompanied by a suggested priority ranking, based on its strategic potential or relative importance. The recommendations, together with these priority categorisations, are listed together at Annex 2.

## II. Background and Context of the Review

11. The Global Fund is an international financing mechanism which aims to attract, manage and disburse additional financial resources through public-private partnerships, in order to make a sustainable and significant contribution to the reduction of infection, illness and death, and mitigate the impact of HIV/AIDS, tuberculosis and malaria in countries in need, on the basis of proven performance. By 30 November 2009, the Global Fund had approved funding of US\$ 18.7 billion for more than 572 programs in 140 countries. (*Global Fund website*)

12. The Global Fund is strongly committed to transparency and accountability. In this context, the Office of the Inspector General (OIG) carries out work to ensure the integrity and effectiveness of the Global Fund's programmes and operations, and is committed to reviewing all Global Fund business procedures. Accountability for grant expenditure and the measurement of grant performance are central to the Global Fund's ethos: they ensure that resources are linked to impact and the saving of lives world-wide in low-income and middle income countries, including upper-middle-income countries with a high burden of one or more of the three target diseases.

13. The Global Fund focuses on performance by linking the provision of funding to the achievement of clear, measurable and sustainable results, through a four-tier performance framework which covers evaluation of the core functions of the Secretariat; evaluation of grant performance; the effectiveness of financing; and measurement of impact.

14. The Global Fund has established a framework of key performance indicators to support comprehensive assessment of the Global Fund's performance across the dimensions of operational performance, grant performance, effectiveness and impact on the three diseases. In relation to operational performance, grant performance and effectiveness, for example, key performance indicators include (*inter alia*):

- The speed of grant signing;
- The speed of disbursement processing;
- The extent to which approved funding follows grant performance; and
- The quality of reporting and extent to which targets are achieved.

The speed of funding, and the extent to which funding achieves the Global Fund's objectives, are directly affected by the grant application process.

15. The Global Fund's model entails application-driven assistance via calls for proposals, with an emphasis on grant performance. The grant application process is fundamental therefore to the Global Fund's operations. The design of the grant application process reflects several of the Global Fund's principles, derived from its framework document, which emphasises the priority to be given to country-driven programmes and performance based funding. These principles assume greater importance at a time when the Global Fund's

developing infrastructure and capacity has been challenged by the unfavourable economic climate and the impact on the potential donor community of the global financial crisis.

16. The quality of grant applications on which funding approvals are based - and the assessment and monitoring of those applications around the approval process - is integral to the success of funding distribution and achievement of the Global Fund's objectives. Therefore the success of funding decisions will be affected by the effectiveness of the applications process. A review by the OIG of the grant application process was agreed by the Board to be a priority for the OIG for 2009, to complement a review by the Secretariat of the Global Fund's funding architecture and wider consideration by the Board in 2010 of eligibility for Global Fund resources.

17. Given the extent of development and evolution of the Global Fund's activities since its inception, it may also be appropriate now to review whether existing frameworks and procedures remain the most appropriate or efficient to meet the Global Fund's needs.



### III. Scope and Approach of the Review

18. The review set out to assess current practice in grant applications and underlying policy; to consider whether the existing arrangements give rise to risks for the Global Fund; and to identify areas and recommendations for improvement or further consideration.

19. The objectives of the review were to examine the grant application process in order to assess:

- whether the grant application process is structured and applied in practice to achieve outcomes which will be consistent with the principles of the Global Fund;
- what is the nature and function of different stages in the process, and the “control environment” at each stage;
- what level of compliance is achieved with procedures prescribed for different stages in the process;
- how far criteria for the screening and review of proposals are clear, widely understood and properly applied;
- whether members of the Secretariat staff and the Technical Review Panel are adequately resourced and informed to carry out the screening and review process in a way that complies with Global Fund policies and procedures;
- how far there is effective quality assurance at each stage of the procedure, across the full range of proposals, to ensure a fair and consistent approach to the distribution of funds;
- whether the screening, reviewing and adjudicating of proposals meet the expectations implied by the Global Fund’s strong commitment to transparency and accountability; and
- what approach is taken by the Global Fund in incorporating new and emerging policy issues into its grant application process.

20. The review covered the various modalities that apply to funding applications, with an emphasis on rounds-based applications, from invitations to submit proposals to screening and referral to the Board for approval. The review did not cover, except indirectly, the development of proposals by the countries or regions that put them forward, which was covered by the 2006 Euro Health assessment of the Global Fund’s proposal management arrangements but might usefully be further reviewed in the light of recent specific Board attention to these arrangements; nor did the review cover the negotiation of formal grant agreements between the Global Fund and recipients, which takes place following funding approval. The latter process might usefully be evaluated also.

21. The review examined and drew for its evidence on:

- records of meetings of the Global Fund Board and reports to the Board by its committees since 2002;

- documentation relating to a sample of some 25 proposals from Round 9, related proposals from earlier rounds, and two from Wave 7 in the Rolling Continuation Channel;
- Technical Review Panel (TRP) review documents (proposal review forms) on the individual proposals; and the TRP's round-up reports to the Board on successive "rounds" and "waves" of review;
- available documentation on the Secretariat's Country Coordinating Mechanism eligibility screening process;
- grant management reports by the Global Fund Secretariat;
- available evaluation material, including the Five Year Evaluation and the 2006 Euro Health assessment of proposal management;
- direct observation over five days of the TRP Round 9 meeting in August 2009, and discussion with TRP members;
- interviews with Global Fund Secretariat staff;
- discussion with staff of international organisations engaged in project development and management.

The detailed findings and conclusions of the review and the issues arising are presented against the framework and chronology of the proposals process itself:

### *The Board and its committees*

- the continuing effectiveness of the relationship between the Board, its committees and the Technical Review Panel as the Global Fund has developed
- The modalities for grant applications: rounds, the Rolling Continuation Channel and National Strategy Applications
- success rates and effectiveness

### *Rounds-based applications and calls for proposals*

- uptake, guidelines, strengths and weaknesses

### *Interactions with countries and with partners*

- role and impact of Country Programs staff and role of the Global Fund's partners

### *Preliminary screening*

- the mechanism, adequacy and extent of scrutiny

### *The Technical Review Panel (TRP)*

- role, independence and composition of the Panel;
- TRP review - quality of information provided to the Panel, adequacy of process and the use of performance criteria

### *TRP review outputs*

- the nature and usability of TRP review findings and outputs

### *The appeals process*

- quality of the appeals process

22. A total of 29 conclusions including recommendations for action are set out below in relation to each of these areas.

## IV. The Board and its Committees

The continuing effectiveness of the relationship between the Board, its committees and the Technical Review Panel as the Global Fund has developed

Source material used/reviewed:

Five Year Evaluation, Study Areas 1 and 2

*Full records of all Board meetings from 2002 - 2009, with background papers  
Full reports of all Board committees to the Board from 2002 - 2009, with  
technical papers when relevant, with records of Board discussion of Committee  
reports*

*Reports of all TRP meetings on rounds-based funding allocations 2002 - 2009;  
and select meetings on RCC allocations*

*Global Fund guidance on "Applying for Grants" including eligibility criteria*

*Note: A numeral in brackets after a reference to a Board decision refers to the  
Board meeting at which the decision was taken.*

23. The Board retains responsibility for the aims and objectives of the Global Fund's framework document, which is fundamental to the grant application process. While the framework document envisages responsibility for assessing and approving proposals being shared by the Board with the TRP, the Board remains the final guarantor of the Global Fund's policies and funds.

24. The Board is responsible for policy setting and strategy, and funding decisions; and addresses these responsibilities through a combination of business in plenary and in its committees. It has amended the structure and terms of reference of its committees regularly, to keep up with perceived new demands and good practice.

25. Development of the Board's mandate, and the mandates of some of its key committees (especially the Policy and Strategy Committee (PSC) and the Portfolio and Implementation Committee (PIC)), have been affected by a number of factors: the pressure of business before the Board; the Board's readiness to give time to a wide range of issues, rather than limiting itself to a few in greater depth; and the plethora of emerging new ideas and policy.

26. Under the present arrangements, and with the development of the Global Fund's activity that has now evolved, there are four factors which serve to constrain to some degree the Board's ability to set policy and strategy, and to make funding decisions which meet Global Fund objectives in an optimal way:

- There is no in-built review mechanism to readily allow the Board to ensure that maximum funding is directed to fight the three diseases where most needed, in keeping with the Global Fund's policy requirement;

- There is no structured forum for a full, systematic dialogue between the Board and the Technical Review Panel, especially on policy issues;
- There is little scope for the Board to provide (or take decisions in the light of) assurance on the financial soundness of the proposals it approves for funding, since budgets are fully considered only after Board approval; and
- There is no single Board forum for discussion of the evaluation of the results and impact of Global Fund activities, including the impact of policy recommendations made by the Board itself. The Policy and Strategy Committee is mandated to consider evaluation issues and in practice has spent time managing the process of the Five Year Evaluation; but it has not had time to act as a fully-fledged evaluation body. The Board in plenary has had even less time to spend on evaluation of results and impact.

27. **Concerning the direction of funds to the neediest countries** (defined by the Global Fund's framework document as the poorest countries and those with the heaviest disease burden, actual or potential), the current arrangements and the practice of approving TRP recommendations "en bloc" reduces the Board's ability to put policy into practice. A good proposal is likely to be approved, whatever its country of origin or the disease burden in that country. The TRP, in examining a question of epidemiology may (in line with its mandate) decide that a proposal qualifies for a positive recommendation on the grounds of high disease burden, or on the grounds that early intervention may prevent a later epidemic. Both are legitimate grounds for providing Global Fund resources, in accordance with the Global Fund's framework document. Nonetheless, the framework document clearly encourages priority to be given to countries which lack access to financial resources, and where the disease burden is high. It might be considered useful to make guidance available on the relative priority to be accorded to proposals where the emphasis is on prevention in a country with a low - or very low, as in some proposals - burden of disease, even when such proposals may be technically excellent.

28. The Board does not intervene to ensure that in allocating financial resources, there is a balance in or across successive rounds in terms of different regions, diseases and interventions. In theory, a crop of excellent proposals from one or two regions, or in favour of one disease, could take a significant share of available funding, since the TRP review process judges each proposal on its own merits and does not include a wider view. Although TRP reporting on rounds-based applications presents recommendations by country, region, disease component, etc., and makes comparisons with the profile of earlier funding rounds, there is typically no discussion of geographical or disease balance; and no changes made in the geographical, disease or other balance of proposals accepted for funding.

29. The Board, nonetheless, takes a close interest in questions of eligibility and has produced guidance on this, in particular to limit the share of funding for middle-income countries. The Board (4) requested Secretariat help in compiling, and subsequently issued, guidance on indexing proposals in terms of the poverty

and disease burden of the countries submitting them. There might be scope to make use, eventually, of this indexed information to target the poorest and neediest countries. The immediate purpose of the composite index, however, was to ensure that higher-indexed proposals would be eligible for available funds ahead of lower-indexed proposals; and this is the only use that has been made of it. Thus far, the composite index is not, or has not been, used as a means of ensuring that resources are going where they are most needed.

30. The Secretariat, at the request of the Board, is reviewing and revising its work on the “composite index”. A new index will provide useful supporting material for Board consideration of eligibility criteria. An inter-agency working group on eligibility was created, at the instigation and under the leadership of the Global Fund, to identify parameters by which the Board might be guided as and when it needs to take decisions on prioritization in relation to the forthcoming Round 10.

31. The framework document indicates that basic eligibility criteria of funding proposals need to be reviewed periodically by the Board. There has been no such broad stock-taking review of basic criteria thus far: the basic criteria are those set out in the Global Fund’s framework document, which takes a highly inclusive and flexible approach to defining eligibility, while stressing that the poorest countries and those with the highest burden of disease are likely to be priority recipients (and making specific reference to the Millennium Development Goals). The Board did, however, undertake in 2007 a review of eligibility criteria as linked to country income levels, in response to a considerable body of work conducted by its Portfolio Committee over several years. There is scope for consideration by the Board of the question whether the Global Fund is respecting its own founding principles on “due priority”, and directing its funds accordingly.

32. In relation to dialogue between the Board and the TRP on policy issues, the Global Fund model specifically envisages the outsourcing to the TRP of the key technical aspects of its funding decisions. The TRP works directly for the Board, and indeed has become a proxy for the Board on all recommendations related to the funding of proposals. From a very early stage, the Board has regularly set out the criteria it has wished to see applied to proposal review; and the TRP is trusted to interpret and apply them in its work on proposals. The Board acting as a plenary receives and reacts to the recommendations made by the TRP, both on rounds-based proposals and those made via the Rolling Continuation Channel and the National Strategy Applications.

33. The Board therefore relies on TRP recommendations and does not regularly engage in structured, substantive debate with the panel on wider issues. Given the importance of the TRP to the Board and to the Global Fund as a whole, there is scope for regular substantive discussion of the TRP’s work by the Board in plenary, or as a “committee of the whole”, rather than solely by delegation to the Portfolio and Implementation Committee (the PIC/PC), which represents little more than half the Board members.

34. Since the Global Fund was established, the PIC/PC has taken a very close interest in the composition of the TRP, and the quality of its membership; in the maintenance of an appropriately qualified “support group” of potential TRP members; and in the introduction of members with additional qualifications when the Board considers they are needed.

35. The PIC/PC has also worked, with the Secretariat, on guidelines for proposals. These are regularly amended to reflect Board policy decisions and are used as background to the review of proposals by the TRP as far as feasible. However, there has been no forum for policy exchange between Board and TRP to facilitate management by the Board of its “outsourcing” arrangement for the review of proposals.

36. The Board’s own policy and strategy decisions on behalf of the Global Fund tend to be formulated first within the Policy and Strategy Committee (PSC). Yet this committee has no formal link with the TRP, despite the impact the committee’s work has on all areas of Global Fund activity, including proposal management and review. Indeed, the PSC has been responsible, since its establishment in 2005, for developing a comprehensive strategy framework for the Global Fund, which in turn has led to a number of significant policy recommendations by the Board, most with a potential impact on the Global Fund’s expectations of grant recipients, on the formulation of proposals, and on the criteria that the TRP will need to apply at the time of proposal review.

37. The absence of a consultative forum involving the TRP which itself on new strategy and policy development represents a disadvantage: both for the PSC, which might benefit from such interaction, and for the TRP, which might also benefit from interaction.

38. A regular forum for exchanges would benefit the TRP, giving it a clearer understanding of the strategy and policy issues governing its work; and would benefit the Board, enabling it to exercise closer oversight of the TRP from the standpoint of the Board’s role as guardian of the Global Fund’s framework document. This would, in effect, improve the quality of governance. A regular structured exchange between Board and TRP could be moderated by the Secretariat, perhaps on the basis of something like the “operations update” paper that at one stage was regularly presented to the Board by the Secretariat, in addition to the Executive Director’s report.

39. Concerning the absence of scope for the Board to provide effective oversight of the financial soundness of proposals, proposals reach the Board without having been subjected to full financial scrutiny. Proposal budgets, logistics (including procurement) and financial management arrangements are only fully considered during the grant negotiation period, after Board approval. All are crucial issues, often presenting problems during Phase 1 of grant implementation, and therefore - from the evidence of the conditions precedent introduced in Phase 2 of grant agreements - requiring additional conditions to be introduced at the Phase 2 stage. The TRP does not have the time or resources (budget analysis tools, local comparators, detail on budgetary

performance of previous grants) to review these issues fully, particularly during the rounds-based application process.

40. Board approval of a TRP-recommended grant is explicitly conditional on satisfactory subsequent negotiations, and the amount approved by the Board is only a ceiling, within which the total grant may be considerably reduced. However, it is for debate whether this is a sound or efficient practice on the basis of which the Board makes funding decisions on proposals, given that key elements of due diligence have yet to be carried out. This reinforces the case for budget scrutiny to be conducted before proposals reach the TRP and is also potentially of relevance to the Board's Finance and Administration Committee (FAC). The FAC has not hitherto had a role in the proposal management process, but there is increasing scope for it to engage more actively and perhaps fulfil a monitoring role as and when improved budgetary scrutiny is built into the proposal review process.

41. **On the absence of an effective Board forum for discussion of the results and impact of Global Fund activities**, good financial governance would call for the success of previous activities to be taken into account when considering whether to provide new money. Performance-based funding is an important Global Fund principle. Previous performance will indicate whether a grant recipient is likely to use new money prudently and effectively. It will also demonstrate how far new money will contribute to meeting the Global Fund's challenging objectives in tackling the three diseases.

42. The principle of performance-based funding has been usefully applied in the application process for the Rolling Continuation Channel (where proposals submitted to the TRP for review have taken into account performance data provided by the Secretariat, and where candidate countries must meet criteria approved in advance by the Board). Performance is also an important criterion when assessing candidate countries for National Strategy Applications. However, performance is not extensively taken into account in the rounds-based application process. TRP recommendations are approved for funding by the Board on the understanding that previous performance has been taken into account by the TRP, although the panel does not in practice have time for more than the briefest assessment of previous performance when reviewing rounds-based grant applications; and the quality of data on which it assesses performance varies. The TRP has drawn attention to shortcomings in the quality of data and noted that in some aspects it is inadequate. It has proposed improvements on several occasions.

43. The TRP does not offer any general, cross-cutting analysis of lessons learned about past performance in its reports on successive rounds (though it offers analysis of other issues, for example of the quality of the performance data provided both by the Secretariat and the applicants themselves). Such analysis would inform future rounds. The Board therefore presently lacks a sound basis on which to engage in a stock-taking exercise of its own on the relationship of funding decisions to performance, in order to be sure that new



funding decisions are based on an up-to-date and credible evaluation of the current portfolio. Neither has the Board thus far had an opportunity to evaluate many of its own policies, including those that have a direct impact on the grant application process.

44. Since in practice the Board has taken on the role of developing and recommending new policy, it might now consider making provision to review policy systematically, and test its impact, particularly in helping to achieve Global Fund objectives.

45. The Board might also give consideration to the present, relatively long interval (typically about two months) between TRP review and the meeting of the Board at which TRP recommendations are approved under the round-based grant application process. This interval inevitably delays the start of grant negotiations. Delay between TRP review and the Board meeting on rounds-based applications also adds to the overall time interval between submission of proposals and grant signature and disbursement. The potential reputational risk that this presents for the Global Fund has been recognised by the Board since the Global Fund was established. The timetable between proposal approval by the Board and grant signature has been the subject of Board decisions (e.g. 8 and 15, including a recommendation for a timeframe of twelve months beyond which the Board's approval for the proposal would lapse); and the subject of performance indicators on the part of the Secretariat. If the Board intends to continue ratifying TRP recommendations "en bloc" as at present, consideration might be given to the quicker process of electronic voting for Board approval of rounds-based proposals, as already used for RCC decisions and Phase 2 grant approvals.

### Conclusions and Recommendations on the Board and its Committees

#### ***Recommendation 1 (High)***

*The Global Fund would benefit from a more structured relationship between the Board (and its committees) and the TRP, through the establishment of a regular forum for the discussion of policy and implementation issues. This might take the form of, or be supported by, a technical committee of the PC/PIC, though in any event there should be regular interaction between the Board in plenary and the TRP.*

#### ***Recommendation 2 (Significant)***

*Eligibility criteria would benefit from review, as would the extent of compliance with the objective laid down in the Global Fund's framework document to direct funding to those most in need (the poorest countries, and/or those with the highest disease burden). The Board and its PC/PIC has such a review in hand.*

#### ***Recommendation 3 (High)***

*There is scope to improve the quality of the Board's governance by enhancing the proposal review process to ensure that proposals have been adequately scrutinised in financial terms - including budgets, procurement and logistics,*

*and financial management arrangements - before they are recommended to the Board for approval.*

### ***Recommendation 4 (High)***

*The quality of oversight provided by the Board would be enhanced by regular evaluation of portfolio performance in the context of funding decisions; and the provision for periodic review of the impact of new policy decisions that have a bearing on grant applications.*

### ***Recommendation 5 (Merits attention)***

*There is scope to reduce the time lag between the conclusion of TRP rounds based review and formal Board approval, thus improving the speed of delivery of funding and performance against the Global Fund's key performance indicators.*

## V. The Modalities for Grant Application: Rounds, the Rolling Continuation Channel (RCC) and National Strategy Applications (NSAs)

### Success rates and effectiveness

#### *Source material used/reviewed:*

*Five Year Evaluation Study Area 1*

*Euro Health Assessment of Proposal Management 2006*

*AIDSPAN website, passim*

*Global Fund guidance on "Applying for Grants"*

*TRP reports on rounds-based applications 2002 - 2009*

*Global Fund document Funding Architecture Review, with papers of the Funding Architecture Review working group*

*Global Fund information note August 2008 on NSAs*

*Report on outcome of TRP review of NSAs, September 2009*

*Paris Declaration on Aid Effectiveness*

### Rounds

46. The Global Fund's 2009 architecture review, the outcome of which is currently being put into practice, includes proposals on channels for making requests for funds and recommends a single stream of funding approach. At present there are three ways of applying for Global Fund financing: rounds-based applications; the Rolling Continuation Channel (RCC) (though as envisaged this has not survived the architecture review and new invitations for applications via this channel are not being issued); and National Strategy Applications (NSAs).

47. The most significant level of resources is allocated through the rounds-based channel once a year, provided there is an adequate level of resources available. The Board, on the advice of the Portfolio and Implementation Committee, approves the terms of the call for proposal for each successive round with accompanying guidelines. The Board has also developed guidance on eligibility: this covers the Country Coordinating Mechanisms and the requirements they must meet; and income levels (where a cost-sharing principle applies at higher levels of income).

48. The rounds-based channel has become a high-profile annual event. In theory, every application could be successful, since all proposals that meet the standards applied by the Technical Review Panel will be recommended for funding. In practice, a high number of applications are rejected, of which a significant number are notably weak. The percentage of successful applications has risen on average since the first funding round from less than 30% to around 50% in the three most recent rounds (although the curve of improvement has not been continuous). However, after eight years of operation the rejection rate

remains relatively high; and there is an issue in relation to whether the Global Fund should provide - either directly or by arrangement with its partners - more assistance to improve the quality of funding proposals. This is under active discussion by the Board, after a Board retreat in early 2010 highlighted it as an area for action.

49. The Board may wish to take a view on whether or not the present rejection rate for applications is higher than desirable. Although an argument is sometimes made that a rejection rate in the region of 50% demonstrates the technical rigour of the TRP review process consistent with the Global Fund's high standards, this may not stand up to scrutiny when the Global Fund's wider objectives are taken into account.

50. As a key player in the fight against the three diseases, the Global Fund has an interest in identifying and funding as many good programmes as possible. Although the Global Fund continues to hold back from intervention in proposal development, it has a strong interest (not least for its own reputation) in working - with partners, as necessary - to ensure that a greater share of the proposals submitted are of higher quality. This is especially true now that the Global Fund has eight years of experience in reviewing proposals and assessing programmes, and thus a good basis for demonstrating to potential recipients the type of proposal that is likely to succeed. While a simple numerical or percentage target for approvals may not fit the Global Fund's approach to the application process, it might be possible to work with an objective for a percentage increase in successful proposals over an agreed time-frame (perhaps three years) with a further increase envisaged after five years.

51. The TRP, supported by the Secretariat's country proposals team, reviews all rounds-based applications in a single, closely-organised session of proposal review. The role of the TRP, and the organisation of rounds-based review, is discussed in more detail in a later section of this report.

### The Rolling Continuation Channel (RCC)

52. The RCC was introduced in 2007 and after a very short period of operation has been deemed unsatisfactory. No new invitations to submit proposals through this channel are currently being issued.

53. Unlike the rounds-based channel, applications for the RCC have been by invitation only. The Secretariat, on the basis of grant performance reports, determined which applicants might be invited to apply through the RCC. Invitations were issued before the scheduled expiration date of an existing grant, on the basis that the scope of the proposal would not be materially different from the scope of the proposal for the grant to be extended (although the rules in fact have allowed some changes if adequately justified).

54. The small number of RCC proposals considered at any one time meant that review of the proposals could be carried out by a sub-group of the TRP, with strong quality control across the set of proposals reviewed.

55. In theory, therefore, the RCC has represented a very promising modality for applications with a clear link to performance, which is an important principle for the Global Fund in allocating resources. It was considered to be sufficiently interesting and fair as a funding model that the Board ruled that, in the event of a shortage of Global Fund financial resources, RCC proposals recommended for funding would take priority over rounds-based proposals in the allocation of the funds available.

56. In practice, the RCC model has not found favour with the TRP or with some parts of the Secretariat. Whilst the TRP follows the specific directions and TOR mandated by the Board, it has provided feedback on lessons learned. It has pointed to a confusion that it perceives results from applicants having the right to apply for funds through the rounds-based channel and through the RCC simultaneously in respect of the same disease. This results in complicated cross-referencing between activities in the applicant country, which is difficult to review satisfactorily. In practice, it has not been easy to assess exactly how far RCC proposals build on previous grants, and there appears to be a perception that it may not always be sensible to insist on continuity with activity under earlier grants.

57. If the Global Fund were to focus strongly on health sector development/health systems strengthening as an issue, an application channel like the RCC might continue to be a credible option. But after only two years of testing the RCC was discontinued, even though a number of country programme staff continue to believe that the RCC has benefits.

58. In practice, a somewhat higher percentage - close to 66% - of RCC proposals have been successful, across all the waves, compared with proposals submitted via the annual funding rounds. However, even 66% may be considered a low percentage, given that proposals are put forward only by applicants that have undergone a preliminary qualification process which has tended to exclude an average of between half and two-thirds of eligible applications.

### National Strategy Applications (NSAs)

59. NSAs correspond most closely to the type of application for funding that was envisaged in the Global Fund's framework document. The framework document even contemplated applicants straightforwardly submitting their national strategies, with a short covering note, as a sufficient basis for the allocation of funds.

60. NSAs are not yet fully tested. Recommendations for the first learning wave (a pilot exercise) were presented to the Board (20) in November 2009.

61. NSAs represent an alternative approach, but the rounds-based channel is likely to continue for the foreseeable future to offer an important (and probably still the most significant) option for funding applications. The principle of NSAs envisages that eligibility criteria for national strategies be agreed in concert by all the relevant technical and development partners. Permanent members of the TRP, as well as a member of the “support group” of potential TRP members, have taken part in the pilot NSA exercise.

62. TRP members conducted desk reviews of national strategy documentation from selected countries, and on this basis advised the Secretariat on countries that might be invited to submit NSAs. Working with CCMs in country, a few members of the TRP made week-long visits to the short-listed countries. Seven countries then submitted national strategy applications in the first learning wave. Countries originally selected for review but not invited to submit NSAs were provided with a reasoned rejection, listing strengths and weaknesses of the national strategy documentation presented. This was a helpful contribution to Global Fund dialogue more widely with recipient countries, and their CCMs. For the first learning wave, country programs staff were not part of the review process nor were staff of the Global Fund’s technical partners invited to take part. However a member of the country programs staff took part in each mission as an observer.

63. Among views put forward by those canvassed for the present review was the suggestion that, contrary to current Global Fund practice, the implementation of programmes funded in response to NSAs would ideally require some permanent Global Fund presence in country. More traditionally organised development organisations consider presence on the ground, or alternatively a strongly identified representation via another organisation, essential to support national strategies. This is one of a number of key issues that might be discussed when the NSA learning exercise is reviewed, for which the Board has not yet set a date.

64. A further review by the Global Fund might consider the question of monitoring and evaluation; and whether a country presence is needed or appropriate for this, to supplement the country activities of the local funding agent and any Principal Recipients that may be part of national strategy implementation. A review might also look at the role of the Secretariat’s country programs staff in the implementation of national strategies, and the wisdom of maintaining the present distance between country programme staff and grant applications when NSAs are under discussion for particular countries.

## Conclusions and Recommendations on Modalities for Grant Applications

### *Recommendation 6 (Significant)*

*There would be benefit in the Global Fund carrying out an analysis of the high percentage of rejected proposals under the rounds-based approach to identify factors to further guide applicants and reduce the incidence of failure.*

### *Recommendation 7 (Merits attention)*

*In the light of experience, the Global Fund might review the RCC to confirm whether it has been adequately tested as a modality for grant applications, and whether there is scope for continuing to make it available in some form. (For example, does the new single stream of funding approach proposed by the architecture review adequately capture the benefits associated with the RCC?)*

### *Recommendation 8 (Merits attention)*

*There is scope for consideration of the proper role of the TRP in the NSA process (which will be particularly necessary when a concerted position is reached on the certification of national strategies).*

### *Recommendation 9 (High)*

*It would be helpful to consider further how best to manage processes such as monitoring, evaluation and coordination with country interlocutors (including the CCM) and with the Global Fund's "partner" representatives in NSA countries if large multi-year funding tranches become the norm.*

## VI. Rounds-based Applications and Call for Proposals

### Uptake, guidelines, strengths and weaknesses

#### *Sources used/reviewed:*

*Five Year Evaluation Study Area 1*

*Euro Health Assessment of Proposal Management 2006*

*Global Fund published material on Applying for Grants*

*Call for Proposals, versions from 2002 - 2009*

*Guidelines accompanying Calls for Proposals from 2002 - 2009*

*Guidelines for application for funding under the Affordable Medicines Facility (malaria) (AMFm)*

*Board records 2002 - 2009, and records of Board Committee meetings*

*TRP reports on rounds-based applications, 2002 - 2009*

*Sample proposals presented in R9 (23 rounds-based and 2 AMFm), with proposal documentation and grant management reports on prior grants in the applicant countries*

*Global Fund Fact Sheets*

65. The Global Fund framework document requires a clear, simple and transparent application process under which the submission of proposals should not impose an undue burden.

66. This review examined some twenty-five proposals under rounds-based applications in order to assess the effectiveness of the application form in eliciting proposals; and to identify strengths and weaknesses in the responses to questions in the application form (as distinct from strengths and weaknesses in the technical detail of the proposals themselves).

### The Proposal Form

67. The proposal form and guidelines are currently under review, with revision expected in the course of 2010, so findings and conclusions below should be seen in that context and may be helpful in informing impending changes.

68. The Global Fund provides plentiful material and guidance on which to base a proposal on its generously stocked website. The Euro Health 2006 assessment recommended that a specific link be set up by the independent organisation Aidspan to guide grant applications. Aidspan's guidance is referred to in the Global Fund guidelines supporting the call for proposals (for example, at question 121 of the FAQs issued for R9). In addition, the Global Fund's own website offers a link to Aidspan's. There appears to be scope for giving greater prominence to Aidspan's clear, practical account of how potential grant recipients should approach the Global Fund and manage the application process. The Aidspan website includes a wealth of information on Global Fund policy and practice that might provide additional helpful background for applicants.



69. Of those countries submitting proposals in the nine funding rounds since 2002, the OIG found no evidence that any had taken up the opportunity offered by the framework document to submit existing and already costed plans with a covering note to specify what aspects of these plans needed funding. All applicants used the Global Fund's proposal form.

70. While it is self-evident that a good proposal may be fitted into the Global Fund's proposal form, it is by no means clear that a proposal would be significantly shaped and improved by following the form. Although the Global Fund's guidelines inform applicants that technical assistance is available to help develop and write proposals, no systematic guidance has been published by the Global Fund itself on how to access this help. At present, the Global Fund relies on its technical partners to provide guidance on technical assistance. The need to provide access to technical assistance has been a continuing preoccupation of the Board and its successive portfolio management committees since the Global Fund's earliest years, most recently at the Board's retreat in early 2010. The Board is giving thought to more systematic organisation of access to technical assistance, and support with proposal development.

71. The evolution of the current long and complex proposal form has led to both strengths and weaknesses. For example, fine-tuning of issues such as how budgets should be presented were helpful on a practical level to countries submitting applications, and have been helpful to the TRP proposal review process by injecting a measure of standardisation. But as the Global Fund increasingly defined its areas of interest, new policy prescriptions were reflected in successive proposal forms covering areas such as the composition of country coordinating mechanisms, public/private sector partnerships and community systems strengthening. Some factors changed the absolute requirements for proposals; some suggested principles that might be introduced to improve the impact of programmes.

72. The introduction of evolving policy requirements into the proposal form and guidelines in a somewhat patchwork fashion complicated the grant application process, although the Global Fund has not evaluated the results adequately to conclude that evolution in the proposal form has actually led to better proposals. Emphasis on specific areas in the proposal form - for example, on community systems strengthening, or dual track implementation by public and private sector entities - has the objective of eliciting better-performing programmes. Yet there is little evidence so far that there has been any impact on either proposal quality or on subsequent programme performance. It may be that greater emphasis in proposals on these issues - and on others such as transparency, social equity and the private sector - will indeed produce better results. As evidence for this is gathered, there will be stronger justification for requiring that such issues be addressed in proposals.

73. Over the last few rounds, there has been an attempt to limit amendments and additions to the proposal form, after years of improving it as lessons were learned from experience with successive rounds. The Five Year Evaluation found that continual amendment and change to the proposal form had made the

application process more difficult; and also made it hard to maintain consistent standards for proposal review. The country proposals team plans a new version of the proposal form, which might benefit from simplification and focus on core issues.

### Responses in Proposal Forms

74. After eight years of Global Fund activity, the consolidation, where appropriate, of proposals with previous grants would seem to be a logical and desirable development on the part of applicants. Consolidation would be helpful to the Global Fund in terms of impact; and could enhance the prospects of success for applicants. However, the sample of proposals reviewed showed little evidence of applicants utilising any consolidation with previous Global Fund grants.

75. Indeed, in cases where at the negotiation stage country programme staff formulated grant agreements that attempted to consolidate earlier interventions, the term “consolidation” appeared to equate to “efficiency savings”. Countries quickly grew reluctant to propose consolidation for fear that it might reduce the overall level of funding that would be available.

76. Perceived disincentives to consolidate will need strong counter-incentives if the new single stream of funding approach proposed by the Global Fund’s funding architecture review is to succeed, since the single stream depends heavily on the concept of consolidation.

77. Other areas which evidenced a lack of detail or relevance in the reviewed proposals were in relation to: (i) the competence of CCM members in health systems strengthening (where usually no more than a list of members’ job titles was provided); (ii) the financial/planning cycle (although one response in the sample usefully linked the implementation plan to a national five year plan); (iii) gender and social equity; (iv) the potential for co-operation with the private sector; (v) equitable and efficient distribution of national budget resources in-country; (vi) explanation of large items in the budget; (vii) procurement arrangements; and (viii) arrangements for mitigating unintended consequences.

78. In most cases, the responses that had been provided by applicants appeared so limited as to call into question the extent of preliminary scrutiny applied to them; and also to indicate the need for improved guidance on the level of detail expected in the responses.

79. In relation to gender and social equity factors, there is work in progress within the Secretariat to improve arrangements following Board decisions prior to Round 9. On gender and sexual minorities, the Secretariat’s gender equality unit had helpfully prepared a checklist of questions for TRP members to use when reviewing proposals and was available to discuss and answer questions during the initial TRP briefing.

80. On the important aspect of co-operation with the private sector - which has a strong link to the Global Fund's corporate objectives - applicants' responses were thin and almost none had been costed with any apparent accuracy or conviction (though two or three managed to present interesting, if tentative and un-costed, ideas for co-operation with the private sector in setting up and running work-place education schemes).

81. Concerning procurement, which was an important aspect in almost all the proposals reviewed, the application process does not require much in the way of detail. The response in almost every proposal reviewed was very weak, with answers normally relying on references to unspecified "existing national systems" for procurement, storage and distribution, and relatively little additional detail to support reliable evaluation of the proposal.

82. In relation to the paucity of detail in proposals on health systems strengthening, the Global Fund's role in HSS, both in rounds-based proposals and NSAs, could usefully be more fully explained, whether by the Board or by the Secretariat. The Secretariat has produced a useful fact sheet giving the broad outlines of what is understood by HSS, though not specific guidance on what the Global Fund looks for in HSS proposals. More specific HSS guidance for applicants would be useful to supplement the somewhat broad outline currently given in the proposal guidelines. The Global Fund's involvement in HSS is relatively new, but early lessons from experience might usefully be disseminated, and made available to help applicants who are considering whether to include HSS components in their proposals.

### Other Related Issues

83. From the evidence in the sample of proposals examined for this review, opportunities for those writing proposals to learn from each other do not appear to be used extensively, despite the availability of all proposals - whether recommended or rejected - on the Global Fund website. We found little evidence to indicate any extensive information exchange between potential recipients.

84. To address this, the Global Fund road-shows (which are reported to be valuable to proposal writers) might consider working with real examples, perhaps from the region in question; and Global Fund-led workshops to help with the writing of live proposals might also be useful, particularly in countries that have difficulty producing acceptable proposals.

85. An enhanced level of coaching might also help address the aspect that applications are often put together very quickly (which may also be a contributory reason for the failure to spend time learning from others). The Global Fund gives plenty of notice in advance of each round-based set of funding decisions, with the Board agreeing terms of the call for proposals so as to give at least four months for preparation. However, some of the proposals examined in the present review emerged from a process that had started only a month or so before the date for submissions. Short timeframes suggest that the applicants

place emphasis on completing the necessary documentation on time, rather than putting together a programme organically over a reasonable period. After eight years' experience, with annual funding rounds being the norm, most applicants could confidently start the process of planning an application well in advance of the formal call for proposals.

### Conclusions and Recommendations on Round-based Applications and Calls for Proposals

#### ***Recommendation 10 (High)***

*The call to submit proposals as currently formulated - with very specific guidance on how proposals should be presented and the issues they should focus on - is complex; and is also inconsistent with the Global Fund principle of supporting recipient-driven programmes. This indicates a need for a simpler yet standardised application process; and for the need to put emphasis on country-driven proposals.*

#### ***Recommendation 11 (High)***

*If a simpler format is considered to be beneficial, the existing guidelines and the application form should be rationalised, to emphasise the epidemiology of the disease; the contribution of Global Fund programmes to the country's total efforts to combat the disease; past performance; the budget; and key implementation issues, including procurement and programme management. (The TRP suggested in its Round 9 report that the TRP should be involved in any revision of the guidelines.) Simpler and more efficient processes will involve less time for all concerned and improve delivery against the Global Fund's key performance indicators.*

#### ***Recommendation 12 (High)***

*The Global Fund might consider ways of ensuring that the technical assistance available for proposal development and grant applications is more systematically presented and explained, in particular in relation to areas of the application form which characteristically elicit weak or unhelpful answers (and which could be clarified). This might include the identification of ways in which applicants might more actively learn from each other and from others' previous experience when developing proposals. The value of time-bound targets for grant signature required by the Global Fund will be negated if the preparation of proposals and amount of subsequent work is unnecessarily onerous.*

#### ***Recommendation 13 (Significant)***

*There is a need to clarify the requirements and review criteria in relation to the financing of the HSS component.*

## VII. Interactions with countries and with partners

### The role and impact of country programs staff, and role of the Global Fund's partners

86. Under its guiding principles, operating as a financial instrument not as an implementing entity, the Global Fund works closely with other multilateral and bilateral organizations. It works with local Country Coordinating Mechanisms (CCMs), which provide coordination and overall guidance during the development of proposals and in the implementation of programmes. The CCM model therefore draws actively on the involvement of Global Fund staff responsible for particular countries.

### Role of Global Fund Country Programs Staff in the Grant Application Process

#### *Sources used/reviewed:*

*Global Fund information documents on Applying for Grants*

*Interviews with country programs staff*

*Notes from OIG interviews and meetings in Kiev, Ukraine, February 2008*

*OIG: Lessons Learned Report 2008*

87. This section briefly addresses the part played in the grant application process by Global Fund country programs staff: regional team leaders, fund portfolio managers, programme officers and their assistants. Their role in the process is limited, although country programs staff are pivotal to the relationship between the Global Fund and recipients.

88. As managers of existing grants in countries, country programs staff are guardians of the history of the Global Fund's programmes and presence. They are the Global Fund's chief interlocutors with Country Coordinating Mechanisms (CCMs), with Principal Recipients (PRs), and sometimes also with Sub-Recipients (SRs). Grant performance reports and score cards relating to existing grants, which are available as background for the TRP when considering new applications, are the direct outcome of the work of country programs staff who are themselves responsible for assessing and scoring the grants they manage during their first phase, the two-year Phase 1: an arrangement that might be considered unusual given the level of direct responsibility the country programs staff have for grant performance. (When grants enter their second phase, Phase 2, performance rating is conducted by the regional team, with support from the Global Fund's evaluation staff.) Grant performance reports are among the most important documents available as the basis for decisions on the eligibility of grants in Rolling Continuation Channel applications; and they are also available as background in the review of proposals under the rounds-based process.

89. Notwithstanding their important role, country programs staff do not engage in developing new proposals, and only read new proposals if and when they are approved for funding. But staff are usually aware of approvals before the Board formally confirms them: useful on a practical level, since staff

are thus able to begin earlier planning of the PR screening and grant negotiation that follow Board approval and the post-approval clarifications phase, although Global Fund rules actually preclude this unofficial dissemination of results before Board approval.

90. Such advance planning by country programs staff, being outside the rules, is necessarily unofficial. At present, there is no formal notification to country programs staff about successful new proposals for their regions and countries until after Board approval. With country programs staff lacking early access to information about successful new proposals there could be some reputational risk to their relationships in country. There would be advantage in them being informed and involved in the launch of new grants as soon as possible after the TRP has made its recommendations.

91. It would also enhance efficiency and performance if country programs staff could put in hand the follow-up to Board approval of a new grant as soon as it becomes realistically evident that approval will be forthcoming: that is, as soon as the recommendations of a rounds-based TRP review have been made.

92. Three arguments are made for country programs staff maintaining a distance from the grant application process: that they do not have time (many are supervising multiple existing grants); that, as a matter of principle, proposals should be genuinely the work of the applicant CCM without Global Fund intervention; and that they have a vested interest in promoting their own country or region, which would represent a potential conflict of interest if they were to be involved in proposal development. The first argument is simply a question of staffing and human resource arrangements. The second is inconsistent with the Global Fund's stated willingness to see other parties (partners) help countries with proposal development. The third argument, which is very commonly cited, may be a cause for concern, since it suggests a flaw in the assessment and incentives system for country programs staff.

93. However, in practice the Global Fund model is idiosyncratic, making very specific programme management requirements of countries in the establishment of CCMs, the use of Local Fund Agents, the identification and coordination of PRs and SRs to work on the three diseases, all often in a challenging cultural context. Familiarity with the model, experience in making it work and relations with key people in country are critical assets of the country programs staff. They typically have a good knowledge of the health sector in their countries, and the constraints; and are familiar with the usually complicated network of health service delivery systems and with political, social and cultural mores.

94. The most successful regional team leaders and fund portfolio managers among the country programs staff have exceptionally good relations with technical and other partners, including bilateral bodies, most active in their regions.

This may be because the partners are themselves willing and creative about working with the Global Fund, or because the Global Fund has made a point of engaging them. In such circumstances, there is evidence of a measurably higher success rate for grant applications, at least for the proposals forwarded through the rounds-based channel.

95. In early rounds-based TRP review sessions, country programs staff were available to answer questions. This is no longer the case and country programs staff see advantage in the practice being revived. TRP members need country-specific information to arrive at sound recommendations and while the country proposals team can broker exchanges with country programs staff, this is clearly a less effective way of dealing with the TRP's requirements for information. It seems unnecessarily rigid to exclude country programs staff from the review process.

96. While country programs staff play no direct part in the process of grant application or approval, they assume a critical role after the Board has approved a proposal. Work done after Board approval includes facilitating clarifications; supervising the vetting of principal recipients through local funding agents; and a major process of negotiation to turn proposals that still lack much significant detail at the approval stage into the detailed material needed to support grant agreements, within strict time limits.

97. One way or another, after eight years of Global Fund operations, the case for greater involvement on the part of country programs staff, with the knowledge and experience that they possess, is increasingly compelling. The funding architecture review makes a central proposal about the introduction of "single streams" of funding. If, as envisaged, this becomes the norm for the rounds-based application process, it will be difficult to maintain the present distance from the application process of the country programs teams, with their detailed knowledge of the existing grants that will become the basis for consolidated activity, and their knowledge of the principal recipients that, under the single stream approach, will be retained to manage new grants for the same disease.

### Role of the Global Fund's Partners

#### *Sources used/reviewed:*

*Five Year Evaluation Study Area 2*

*Euro Health Assessment of Proposal Management 2006*

*Partnership Forum 2008: report*

*Report to November 2009 Board on partnership initiatives; and working papers*

*Records of Board meetings 2002 - 2009*

98. The Global Fund's framework document envisaged a common effort by the Global Fund and others, so that all partners, without specific attribution, could claim results achieved under Global Fund activities. The Global Fund's partners include technical agencies and international health policy and standard-setting bodies, such as the World Health Organization and UNAIDS; and other

organisations in both governmental and private sectors (the latter including civil society) that are engaged in some way in the fight against the three diseases, including UN programmes and agencies, the bilateral development agencies, PEPFAR and the Gates Foundation.

99. The Board has been concerned from its earliest meetings about the role of partners in proposal development. In 2003, WHO and UNAIDS presented recommendations on how they might help with proposal development, which were warmly received by the Board (5). The Secretariat's regular "operations update" to early Board meetings included specific sections on relations with partners, with examples of countries and individual grants that constituted partnership success stories.

100. The Board has regularly focused on the issue of technical assistance from the partners. An ad hoc committee produced a report to the Board (9) in 2004: a wasted opportunity, since it was in the OIG's view a poor report with unfocused recommendations. No clear guidance emerged. In its recent reviews of Global Fund grants, the OIG identified confusion about technical assistance - its availability, how and when to apply - as a common theme.

101. In 2006, the Euro Health assessment of the Global Fund's proposal development process concluded that if the Fund is to rely on partners to support the development and subsequent implementation of high quality programmes, there is a need for a significant investment in forging and maintaining more effective relations with these partners. This investment is still lacking, in many areas of Global Fund activity, including for proposals presented through the different available modalities.

102. Work is ongoing in the Secretariat to define and improve relations with partners. Nonetheless, after seven years of activity, the Global Fund's relationship with its partners remains poorly defined and even in some ways uncomfortable. The Five Year Evaluation noted that, according to views canvassed among some of the key partners, it was by no means clear that they were perceived as wanted or understood by the Global Fund. The partners stand at such a remove from present Global Fund activities that, for example, when the Secretariat issued a post-TRP press release in September 2009 to summarise in general terms the results of Round 9, it made no mention of the partners.

103. The Board, which includes representatives of some major partners as members and observers, has attempted to address partner relationship issues, with the Policy and Strategy Committee supervising a regular partnership forum; and the recently-established partnerships unit within the Secretariat is looking systematically at the issues that have emerged from successive partnership fora and from the Five Year Evaluation. A seminal piece of work on the Global Fund's relationship with partners was provided by the report produced, under the auspices of the new unit, in September 2008, recording views from the partnership consultancy to be presented to the partnership forum later that year.



104. It may be noted that of the proposals examined for the present review, those which claimed or implied extensive cooperation from the partners at the stage of in-country development were noticeably superior. Three proposals examined for the present review, across all their components, were very convincing documents in terms of their presentation of material and the relevance of replies to questions in the proposal form. All had been developed with assistance from one or more of the multilateral partners, as well as being strongly driven by guidance and support from experienced organisations identified to act as principal recipients. All three were from countries with major political, developmental and implementation constraints, so were - in a sense - exceptional cases. Such cases are more likely to attract assistance from technical and other partners. Nonetheless, the outcome, in terms of the quality of the documents, was convincing evidence of the value of such assistance.

105. As the Global Fund grows further, and develops its corporate identity and policy responses to the diseases it targets, there is a risk that coordination with the partners could become more difficult to achieve unless it is actively nurtured. There is scope for better coordination, not only at the proposal development stage but also as part of the Global Fund's proposal review processes such as the TRP and the Appeals Panel.

### Conclusions and recommendations on Interaction with Countries and with Partners

#### *Recommendation 14 (Significant)*

*Consideration could be given to reviving an appropriate and more effective level of contact between country programs teams and the TRP.*

#### *Recommendation 15 (Merits attention)*

*The Global Fund could usefully consider the timing and disclosure of TRP recommendations to allow country programs staff earlier knowledge of review results and the opportunity to begin following them up.*

#### *Recommendation 16 (Significant)*

*The management of the clarifications process should be reviewed, with clear guidelines on substantive engagement in this process by country programs teams.*

#### *Recommendation 17 (Significant)*

*The Global Fund should further consider the role of country programs teams in the light of the outcome of the funding architecture review.*

#### *Recommendation 18 (Significant)*

*It seems clear that there would be considerable potential benefit to the Global Fund in carrying out a full study of the role of the partners in proposal development in-country, to contribute to the Global Fund's development of a strategy for working with its partners across the whole spectrum of its business.*

## VIII. Preliminary Screening

The mechanism, adequacy and extent of scrutiny

*Sources used/reviewed*

*Euro Health Report on Proposal Management 2006*

*Global Fund information on Applying for Grants, including notes on eligibility criteria*

*TRP reports on rounds-based applications, 2002 - 2009*

*Screening tools for Secretariat's eligibility screening process*

*Terms of reference for screeners*

*Lists of screeners appointed, 2008 and 2009*

*Screening Review Panel: terms of reference*

*Screening product in sample proposal documentation*

*Sections in proposal documentation on CCM membership and capacities*

*The OIG country reports, and lessons learned report 2009, re CCM capacity*

106. Preliminary screening of proposals, prior to review by the Technical Review Panel in the rounds-based application process, is conducted by short-term Secretariat staff under the supervision of the proposals management team, working to a Screening Review Panel (SRP) composed of senior permanent staff under the aegis of the Operations Policy Committee, reporting ultimately to the Executive Director.

107. The Secretariat's permanent staff members do not have time to undertake screening, given the large number of proposals involved and the detailed screening required. Further, the hiring of external screeners on a short-term basis may be considered consistent with the requirements of independence which are emphasised by the Global Fund for the review of proposals (though it is unclear to what extent independence is considered an important issue at the screening stage, other than the need to avoid obvious conflicts of interest such as the screening of proposals from the screener's own country).

108. Screeners are young professionals, from diverse geographical backgrounds with qualifications and experience relevant to Global Fund programmes, employed for around two months. Briefing and training screeners entails a considerable investment by the Global Fund, including a two-week briefing with a range of permanent Secretariat staff, including senior staff. Although the functions are not directly comparable this briefing is much longer and fuller than the single day of initiation provided to new TRP members, and arguably it is more comprehensive and generous than induction training provided by most organisations for new permanent staff.

109. The proposals management unit is currently reflecting on ways of making more use of the knowledge and skills acquired by screeners during their short-

term assignment. In practice, a small number of screeners are regularly retained on the permanent staff of the Global Fund once the screening process ends. There may be a case for retaining a permanent group of staff with a range of qualifications who would not only screen but also carry out more complex analysis of proposals and oversee the follow-up to TRP review, including handling of the clarifications required before proposals can be developed into grant agreements.

110. Screeners review the source of proposals, with detailed checks that cover issues including CCM membership; the process of putting the proposal forward; and the selection procedures for the principal recipients. If the proposal is not put forward by a CCM, applications are screened against the limited exceptional circumstances where this is allowed by the Global Fund. Screeners also consider the completeness of proposals, and compliance with requirements.

### The Screening Review Panel

111. Screeners present findings on the eligibility of proposals to the Screening Review Panel (SRP), which may request additional clarifications and takes final decisions on eligibility. The SRP is composed of permanent staff from the Secretariat, whose task is to review the work carried out by the short-term staff employed specifically to conduct the screening process. Given the importance attached to the Country Coordinating Mechanisms (CCMs), which function as authors of proposals and oversight bodies during grant disbursement and programme implementation, the SRP is key to the Global Fund's business model. The Global Fund's Operations Policy Committee has overall responsibility for the SRP and its terms of reference.

112. The SRP is composed of senior staff from country programmes, the CCM team, the legal team and the partnerships team, with concomitant expertise and organisational influence. In effect, the SRP monitors the work of the screeners, to safeguard the fairness and integrity of the screening process, and to ensure that eligible proposals are accepted for funding consideration and ineligible ones excluded.

113. Working as it does with a large number of specific proposals for a given funding Round, the SRP has the opportunity to compare a wide range of Country Coordinating Mechanisms in a concentrated exercise, and is thus well-placed to supplement the Global Fund's ongoing work on evaluating CCM performance. Since members of the SRP have the benefit also of country knowledge and experience, the SRP has a role to play in the continuous assessment of criteria: not simply criteria on the eligibility of CCMs but also on their effectiveness.

114. On the basis of the SRP's present role and capabilities, there may be scope to sharpen the SRP's objectives to make it clear whether the primary objective is to ensure that eligibility criteria are fully respected, or rather to keep testing and revising the boundaries of eligibility.

115. In the light of existing requests by the TRP for advance screening of proposal budgets - currently being taken forward - the Operations Policy Committee might wish to consider whether the SRP could be tasked to review the outcome of budget screening, perhaps with an amended membership to include representation from the Global Fund's finance cluster and from the corporate procurement team; or whether a review of budget screening might be undertaken by a new Secretariat committee with representation from the finance, procurement and country programs teams (and with an additional reporting line to the Board's Finance and Administration Committee (FAC)).

116. In any event, it would be useful for the SRP to present its findings in relation to each funding round to the TRP in such a way as to inform TRP debate. The role of the CCM in relation to the performance of Global Fund grants is critical to questions of implementation, an area very much within the scope of the TRP's own terms of reference.

117. After a rounds-based screening process is completed, the Secretariat's CCM team prepares a report on lessons learned and best practice: potentially very useful but not available to TRP reviewers. For the purposes of TRP review, the results of screening are synthesised in tabular form and presented to the TRP as part of the initial documentation for each proposal. This procedure provides the TRP with an assessment of the compliance or acceptability of applications but no further explanation or commentary is given.

118. The TRP's report for R5 expressed concern that the Secretariat screening process might be making too much effort to ensure that proposals meet the eligibility criteria and are fit for technical review. It noted that the fact that a proposal was incomplete already offered an indicator of its prospects of success at the TRP review stage. The report recommended limiting the number of interactions between the Secretariat screeners and the applicant, after which a proposal would be screened out if responses continued to be inadequate. At the same time, the TRP has continued to complain that some unsuitable proposals pass the screening phase, with a consequent waste of TRP time and effort. This may indicate that the pre-screening should address additional criteria and that there may be scope for screening to address additional criteria relating to the completeness of the proposal documentation.

119. There are important areas where all proposals could be examined more thoroughly before TRP review. These include the soundness and reliability of budgets (beyond mere completeness for the purposes of the application form); the adequacy of proposed procurement arrangements; monitoring and evaluation provision, including the systems to be used and their coherence with existing systems; and consistency within the proposal of programme objectives, service delivery areas, activities in the work plan and budget lines.

120. Under current arrangements, these issues are not subject to full scrutiny until grants are negotiated, after the Board has approved proposals. Ideally, though, this would be done as part of the proposal development process itself. If a different approach to the development of proposals were to be adopted,

with more direct contributions from the Global Fund or its partners at the earliest stages, work on these issues would become an essential part of the planning and development of proposals, rather than arising as matters for retroactive review.

121. One solution would be to consider the feasibility of vetting these issues at the same time that proposals are screened within the Secretariat for eligibility. Screeners would thus carry out a role similar to that assigned to the Financial Advisory Service as part of the pilot scheme at the Round 9 Technical Review Panel.

122. The importance of advance assessment of budgets associated with proposals is well recognised by the TRP, which itself requested the assistance provided by the Financial Advisory Service for Round 9. More detailed screening of procurement has not yet been called for but is also important given the central importance of procurement, storage and distribution of health supplies and pharmaceuticals in Global Fund grants.

123. At present the application form does not require detail on the plans for procurement associated with proposals, or plans for storage and distribution.

### Conclusions and Recommendations on Preliminary Screening by the Secretariat

#### ***Recommendation 19 (High)***

*There may be benefit to the Global Fund in clarifying and strengthening the screening process, perhaps making it possible for poor proposals to be rejected at this stage, rather than going forward to the TRP (with screening criteria amended as necessary to make it possible to reject substantively poor proposals, even if they meet other eligibility criteria). Setting out the results of screening in a way which goes beyond simple confirmation of eligibility and offers informed judgements on the status, function and performance of a CCM would be helpful to the TRP.*

#### ***Recommendation 20 (High)***

*Consideration could be given to significantly widening the scope of proposal screening, to include full scrutiny of budgets, procurement and other logistical arrangements so as to ensure that proposals meet minimum standards before going forward for technical review. The scope might perhaps be widened further to include monitoring and evaluation arrangements also. Improved screening will lead to more efficient decision making and a better targeting of funds to the right proposals, in direct support of the requirements of the Global Fund's key performance indicators for linking funding with grant performance and the achievement of targets.*

#### ***Recommendation 21 (Significant)***

*Given the advantages in institutional knowledge and continuity offered by permanent staff, consideration might also be given to assessing the case for a*

*permanent Secretariat team of screeners to meet these enhanced and more substantial screening needs, drawing on a different mix of qualifications from the temporary screening team employed annually under present arrangements. The responsibilities of such a team might also include shadowing TRP review meetings and taking responsibility for managing, with Country Programs teams, the process of clarification that follows approval for funding.*

## IX. The Technical Review Panel (TRP)

Role, independence and composition

TRP review: quality of information provided to the Panel, adequacy of process and the use of performance criteria

*Sources used/reviewed:*

*Five Year Evaluation Study Area 1*

*Euro Health Assessment of Proposal Management 2006*

*TRP's terms of reference, including proposal review criteria*

*Global Fund published guidance on Applying for Grants*

*Aidspan website, specifically guidance on applying for grants*

*TRP review forms for rounds-based applications from 2005*

*TRP reports on rounds-based applications 2002 - 2009, and on Rolling Continuation Channel waves 2007 - 2009*

*Records of Board meetings and reports to the Board by its Committees 2002 - 2009*

*Review sample of Round 9 proposals*

*FAS reports on Round 9 proposals of \$100 million or more, August 2009 TRP meeting*

*Material sent to TRP in advance of rounds-based meeting*

*Briefing material prepared for TRP by technical partners*

*Briefing material prepared by Global Fund for new TRP members 2009*

*Global Fund Fact Sheets*

*Observation of 5 days of TRP Round 9 meeting, August 2009 and discussions with TRP members*

124. To support the Global Fund in financing effective programmes, the Board relies on an independent panel of international experts in health and development. The Technical Review Panel (TRP) reviews eligible grant proposals for technical merit: soundness of approach, feasibility and potential for impact and sustainability.

### Role and Independence of the TRP

125. Its framework document requires that the Global Fund evaluate proposals through independent review processes based on the most appropriate scientific and technical standards that take into account local realities and priorities. Since the Global Fund was first conceived as a financing instrument, with only a small Secretariat to provide oversight for grant implementation - but without direct support for programme design or implementation - its staffing plans did not envisage permanent scientific and technical capacity. The TRP acts as a proxy for the Board and as an independent, impartial team of experts in deciding which proposals the Global Fund should finance. The TRP enjoys a high level of confidence from the Board for the way it approaches and deals with proposal review and its work is respected by the Secretariat.

126. Despite the Global Fund's status as a financing instrument, intended to leverage financing for interventions designed by recipients themselves, many of the grants now provide support for disease programmes akin to traditional development programmes. Now that the Global Fund has matured and built an active portfolio of grants over eight years, in the process forging close relationships with most of its recipients, it may be timely to review whether the TRP arrangements remain entirely appropriate in all their present aspects.

127. The Global Fund's requirements are different from those of traditional development programmes, in respect of the way applications are elicited, and in the way those applications are assessed. The emphasis for both applicants and reviewers is on wider country context and on previous and existing Global Fund-supported activity. The Global Fund's new National Strategy Application approach is the closest to a broad review of country context and health sector policy. The TRP review process for the Rolling Continuation Channel has come closest to including an obligatory assessment of past performance. But the rounds-based review - which provided an effective model for the start of the Global Fund's activities - may be less well adapted to current circumstances, with so many countries already in receipt of Global Fund financing.

128. Even though the Global Fund's practice has emphasized that the TRP should not engage in discussions about the amount of resources available, or how resources will be allocated if there are competing demands on a limited amount of funds, this aspect of the TRP's independence may merit review. As the Global Fund develops a history with each of its recipients, it is difficult to limit the review of proposals to so-called "technical" issues only; and there is an increasing expectation that the TRP will look also at performance issues in detail. Performance could become an important criterion when allocating resources among competing proposals.

129. The Global Fund Secretariat has developed into a larger and more sophisticated organisation than the lean thirty-person fund-raising and grant supervision team that was in place at the outset. The Global Fund now has a permanent staff of 600 or so; a history of eight years of activity in countries steadily increasing in number to the present 140 (over ninety per cent of those eligible); and a developing body of policy with the consequent evolution of a corporate identity. However, funding decisions (worth some \$2.2 billion in the last funding round (R9) alone, plus \$16.1 billion approved in prior years) remain essentially the responsibility of an external group, since the Board has adopted the practice of approving TRP recommendations as a "package" for any given funding round. The TRP is convened on an occasional basis and its membership has widely varying direct experience of the Global Fund, notwithstanding how professionally well-qualified its members may be in their respective fields.

130. TRP members are not paid at market or consultancy rates for their services but are invited to serve at annual TRP rounds based review meetings and other relevant meetings (such as RCC meetings every few months) in exchange for an honorarium and expenses. This arrangement reflects the mood of the



international community at the time the Global Fund was established, when the idea of an unfunded mandate was widely shared. It was considered that the Global Fund would concentrate on raising and allocating funds, while other agencies, institutions and internationally known experts would commit themselves on a non-contractual basis to the Global Fund's objectives, out of a simple desire to see them succeed.

131. Over time, the Global Fund Secretariat has become an increasingly professional body and the Global Fund has developed its own specific mandate and role within the international development community. The background context of calling on the services of experts to serve on the TRP therefore has also changed, as has the basis for the concept of the unfunded mandate of partner organisations and institutions.

132. The Board is finally accountable to its many constituencies, public and private, for the funding decisions that the TRP recommends that it take, in the same way that it is for the sound management of Global Fund grants. Funding decisions arguably constitute the Global Fund's most important business process. Since responsibility for recommending how these funds are allocated is "outsourced" to the TRP then, for reasons of good governance and accountability, it may become increasingly appropriate for this process to be managed on a fully contractual basis, rather than on the basis of concessionary services on the part of TRP members.

133. Further, while the independence of the TRP is an important aspect of its function, the Panel has become in some ways considerably less transparent than other parts of the Global Fund's structure. Apart from the Secretariat's proposals management team (which stays conscientiously outside the decision-making procedures of the TRP, other than to advise on their format and on relevant policy issues if necessary), no one from the Global Fund or other interested organisations participates in TRP meetings. However, Secretariat members and technical partners do provide documentation and are available to provide information on request. Notwithstanding the need for professional, independent and objective review processes, the present opacity of the TRP's deliberations represents something of a contrast to the rest of the Global Fund's business model.

134. This separation of the TRP and its deliberations from the Board and the Secretariat, and the present lack of transparency, may reduce the potential for lessons to be learned from the TRP's reviews for the benefit of potential recipients of grant funding.

135. If the Global Fund wished to evolve the role and effectiveness of the TRP, the Secretariat could provide additional practical help in assessing proposals. At present, only the country proposals team has direct access to the TRP, given the perceived importance of the TRP remaining objective and immune to undue influence. With these same considerations in mind, there nevertheless might be a case for the Global Fund to build up a larger in-house professional scientific and technical team to take on some role in the review of proposals, for instance

providing enhanced screening and additional advice to the TRP (perhaps even sitting alongside the TRP in a bilateral review arrangement).

136. If the first learning wave of NSAs succeeds, the case for stronger in-house (or even in-country) professional capacity for country assessment may become overwhelming. In that case, it would make sense to use that capacity in direct support of the TRP for all Global Fund proposal or program review processes.

### Composition of the TRP

137. In relation to rounds-based funding decisions, the Global Fund's framework document envisaged that initially there would be a single Technical Review Panel. The TRP started at 17 members and by the time of Round 7 had reached 35 members, which the Global Fund's Five Year Evaluation pronounced optimal: otherwise, concluded the evaluation, there would be implications for quality control. By Round 9, the number of members had increased to 40, including 3 new "cross-cutters", and a specialist in gender issues, appointed in response to the Board's decision (18) on gender and social equity.

138. TRP membership increased to take account of the large volume of proposals and to make it possible for individual members to be assigned fewer proposals to review in the limited time available. While a larger TRP offers primary and secondary reviewers of each proposal more time for thorough scrutiny, the role of the plenary at the current 40-member level may be less valuable as a mechanism for quality assurance. There is an inherent risk with a panel of the current size that it may be too big to allow for adequate debate or focus on the detail of proposals. The reduced number of reviewers convened for RCC waves (between 10 and 17) may be more conducive to intensive discussion and exchange of views.

139. In terms of the geographical balance and expertise of the TRP, the Secretariat and the Portfolio Committee (PC/PIC) are well aware of the need to balance geographical representation along with balanced representation from experts in the three diseases, and the necessary "cross-cutting" capacity. The ratio of disease specialists is usually well matched to proposals received, owing to the efforts of the country proposals team (for example, if a larger share of proposals focusing on one particular disease emerges from the pre-screening process).

140. The selection and appointment of "cross-cutters" is more complicated, given the number of cross-cutting issues to be covered and that "cross-cutters" need to bring to the TRP such a wide range of relevant experience (for example in international practice and reform in the health sector, social and cultural constraints (including gender issues), work plan and budget design, and monitoring and evaluation).

141. The absence in the TRP membership of experts from the UN or its specialised agencies - which rules out staff from UNAIDS, WHO, the World Bank and others - follows a relatively recent Board decision (15), apparently taken in

the context of concern to avoid potential conflicts of interest. The key international agencies sit on the selection panel for TRP members and can thus be responsible for recommending members, though the current rule is that these may not be from the staff of the agencies themselves. As the Global Fund's arrangements evolve further, however, and in the light of the Global Fund's principle of working in close collaboration with the technical partners (noting the difficulty of otherwise establishing useful dialogue between the TRP and the technical partners in the limited time and circumstances of TRP review meetings), the Board may wish to revisit the Global Fund's position on this. (At the least, experts from by the key technical partners might attend TRP meetings as observers, or to answer questions.)

142. In recent rounds, there has been a significant proportion of new TRP members: more than 25% in both Rounds 8 and 9. New TRP members do not receive extensive briefing compared, for example, with the fortnight of briefing and training given to the young professionals who screen proposals before TRP review. New TRP members are given a day of briefing at the outset of each rounds-based review, which outlines aspects of the Global Fund "model" and offers some pointers for review of proposals. For the rounds-based review process, a mentoring system is intended to ensure that new members of the TRP are to some extent supported by experienced members in their review of the first few proposals assigned to them.

143. Nevertheless, many new members begin their work by bringing to the review process their specialist knowledge in relation to the three diseases and their expertise in health sector programme implementation with little detailed knowledge of the Global Fund. This may be in keeping with the TRP's mandate which requires independent technical review, but may also mean that it takes longer for new TRP members to familiarize themselves with the complexity of Global Fund's business and particular model for delivering grant aid.

### The Country Proposals Team

144. Support to the TRP is provided by the Secretariat's country proposals team, which is active throughout the year administering TRP business, and is on call during rounds and "waves" to provide administrative support, to help with questions about documentation and to provide guidance on Global Fund policies. The team mediates any exchanges that may be needed with other teams in the Global Fund Secretariat, including country programs staff. To ensure consistency, the country proposals team also assists reviewers in the presentation of recommendations and in compiling the TRP's report to the Board.

145. The team produces comprehensive and often extensive supporting material on proposals: policy documents; procedural guidance notes; information from other international health and development agencies; and, following a recommendation by Euro Health in its 2006 assessment of the TRP, comparative cross-cutting information on all the countries from which applications are submitted. Previous TRP review forms are also made available: useful in the

case of proposals that are resubmitted, offering insights on the issues that characteristically exercise the TRP. A full list of Global Fund grants enables reviewers to consider grant performance reports from earlier relevant grants, readily accessible on CD-rom or on line.

146. This process is highly effective, with the country proposals team providing important institutional knowledge with comprehensive logistical support and non-judgemental advice to the TRP.

### Review of Proposals by the TRP

147. Despite the length of the proposals themselves and the volume of supporting documentation, proposals are not available to TRP members prior to their rounds-based meetings. For Round 9, two (or, very rarely, three) proposal components were assigned on a daily basis to each of ten representative groups of four TRP members. Each of the two proposals was assigned a primary and secondary reviewer within the group. After reading and analysing, the group of four met to exchange views on each of the two proposals, and to prepare a presentation, based on the TRP review form, to introduce each proposal and the group's recommendation to the plenary.

148. The mixture of disease specialists and "cross-cutters" within the groups means that each proposal is reviewed in detail by one disease specialist and one cross-cutter; and in less detail by a second disease specialist and a second cross-cutter. Some, though not all, of the cross-cutters may have a particular speciality.

149. With experience, the voluminous proposals can be read and analyzed in three to four hours. Non-native English speakers may need considerably more time. Spanish speakers in particular have complained about poor translations, which may make certain elements of the proposal difficult to interpret, including for non-Spanish speakers attempting to deal with terms that are not equivalent in Spanish and English.

150. Although TRP members work full-time during the day, the time allocated for proposal review is between late afternoon, when plenary sessions end (usually around 7:00pm), and 10:00am the following day, when the four-member working groups meet to compare notes on the proposals they have read. Of the minimum six to eight hours needed by each reviewer to review two proposals, this schedule requires that a significant number will be night hours. A rounds-based meeting continues for a fortnight, with nine days of intensive review of proposals and a minimum of about eighteen or twenty proposals for each TRP member in the course of the meeting.

151. This scheduling demands heroic commitment on the part of the reviewers and by its nature presents a clear risk to the quality and adequacy of review outcomes.

152. After overnight study followed by two or three hours of discussion in working groups, primary and secondary reviewers present each reviewed proposal in the long daily plenary session which covers some twenty proposals over the course of about five hours. Although the session is long, the average time available for each proposal is only about fifteen minutes. Problematic proposals may take longer and can be assigned for a second review by a new working group (though this makes extra demands on the time of the reviewers, who need to fit the additional review into their already full timetable), in order to achieve a greater level of assurance than the discussion in the plenary itself.

153. The risks to quality and assurance in the review process are exacerbated by the large size of the TRP, which makes it unrealistic for the plenary to help fine-tune the details of a recommendation. Most members of the TRP have not read any given proposal under discussion and the size of the group makes it difficult for debate to bring out finer points. Indeed, the dynamic of such a large plenary, with limited time for each proposal, may encourage primary and secondary reviewers to take on the role of champions or defenders of the recommendation they are putting forward rather than presenting the detail of a recommendation in a way that invites debate.

154. Arguably, based on direct observation by the OIG, the plenary adds only marginal value to the outcome of individual proposal review, though it may help to highlight different views that may have emerged among members of smaller working groups; to identify proposals that merit a second review; and to bring out wider issues of principle and practice in the TRP review process.

155. An important aspect of proposal review is access to the extensive supporting material, although it is questionable whether reviewers individually or the TRP as a group have adequate time to take this information properly into account. Proposals themselves are very long and need time to study properly. They include detailed collateral information on country specific data relating to the targeted disease, or to other aspects of the health sector. Annexes, including key documents such as national health strategies, are too long to read in full (if they are available in English, the working language of the majority of the TRP: often they are not, and long annexes are not translated). There is little time for full scrutiny of previous grant performance reports, though these are available for consultation also.

156. A lack of direct interaction between the TRP and relevant interlocutors from the Secretariat (particularly country programs staff), means in effect that there are only indirect means of addressing issues of country performance, or other questions arising from a proposal, during the TRP meeting. The country proposals team will arrange indirect exchanges with country programs teams if necessary, but this is a cumbersome way of probing questions arising from a proposal. Rather than engage in indirect exchange, TRP reviewers tend to opt for requesting clarifications from the country concerned. The process of supplying these clarifications does not start until after the Board has approved the TRP's recommendations.

### Review of Proposal Budgets

157. TRP reviewers are keenly aware of the importance of devoting more time to the analysis of proposal budgets. At present, budgets are examined only superficially and selectively during the rounds-based review process, although the value for money of proposals is one of the criteria against which the TRP should be making judgements. Many of the TRP members interviewed said specifically that they did not have time to look at proposal budgets properly, with some identifying budgets as fundamental to an assessment of proposal quality. Some TRP members are better qualified than others to conduct a rapid but penetrating analysis of the budgets presented in proposals. There was sufficient TRP concern on this point that a request was made in its Round 8 report for assistance in dealing with it. The TRP noted that the introduction of earlier budget analysis - particularly for some of the very large proposals submitted in recent rounds - would be helpful.

158. Under arrangements for recent rounds, if the TRP is in serious doubt about a budget as set out in a proposal, it may call for an independent budget review. In practice, in rounds preceding R9, six such independent budgetary reviews were called for. In Round 9 there were 12 independent budget reviews requested (almost 14 per cent of proposals recommended for funding).

159. For the TRP's Round 9 meeting, a new approach was tried, with a team of five experts on financial management and one on procurement on secondment from local funding agents acting as a Financial Advisory Service (FAS) to review all proposal components costed at \$100 million or more. FAS reports were provided as background for the overnight review of proposals by individual TRP members and to inform discussions in the four-member working groups (though FAS members did not take part in any TRP review discussions or attend the working groups).

160. The FAS reports frequently raised significant budgetary issues, such as imbalances between budget categories and the failure to clearly identify budget drivers making it difficult to justify expenditure. In some cases, budgetary issues provided warning that the scope and direction of proposed programmes were inappropriate; and in many cases budgetary analysis showed that, when examined in detail, proposals presented risk of wasteful or inefficient use of resources, or even misappropriation.

161. The TRP asked that a similar analysis be done for future rounds-based proposals of all components, not just those over \$100 million. The cost of this could be significant, although economies of scale might be achieved, for example through earlier scheduling of budget analysis and drawing on the expertise of local funding agents under existing contractual arrangements to review proposals from their regions (but not their own countries). This would also introduce a regional overview and the opportunity for cross-country comparisons, which could enrich the budget scrutiny process more widely.

162. While the extent of budget analysis conducted by the FAS is necessary to provide assurance on the financial soundness of proposals before proposals are approved by the Board, a case could be made for such analysis to be carried out after rather than before review by the TRP. If such an approach were adopted, the TRP's contribution would be to adjudicate on technical and programmatic content (as at present), with the proposals that passed their scrutiny going forward for budget review by financial experts. This arrangement would increase efficiency by avoiding expensive budget analysis on the 50% of proposals that fail to pass the TRP in an average funding round.

163. The argument against later budget review is that the budget is integral to the proposal, in both technical and programmatic aspects, so should really be assessed at the TRP review stage. The TRP attempts to carry out budgetary assessments under present arrangements but lacks time and resources to do this as fully as necessary to guarantee that proposals are financially sound. Prior budgetary analysis would ensure that the TRP could make use of the outcome in a way which made it possible for a fully balanced review. Prior budgetary analysis would also save valuable time once proposals had been approved by the Board, enabling the processes of clarification and grant negotiation to focus on key budget issues, already properly identified. (Currently many budget issues are only fully analysed in the limited time available between Board approval of a proposal and the signature of a grant agreement: this is not ideal.)

### Other Issues on the Review of Proposals

164. In addition to the potential for improvement in budgetary analysis, there is scope to improve the existing review process in relation to procurement and logistics, where the proposal form does not ask penetrating questions of applicants, for example in sections of the form covering procurement, storage and distribution of pharmaceuticals, health products, and other equipment to be bought under the terms of a proposal. As with budgets, assurance on these aspects of proposals, where required, should be sought before rather than after a proposal is approved.

165. There is also scope for procedural improvements in relation to assurance gained on the capacity of principal recipients (PRs) to deliver programme services and objectives. Local Funding Agents will evaluate PRs once the Board has approved the proposals for the programmes which the PRs have been selected to manage. However, in terms of the effectiveness of the evaluation as a control, this is too late. The PR is the Global Fund's contractual partner in country, usually over the lifetime of a grant (although changes in PRs are sometimes made in order to rescue grants from poor management or poor PR performance in other ways). The soundness of the PR should be determined before proposals are presented to the Board for approval. Grant applications are required to give details of PR competencies but in the majority of cases reviewed, the OIG found insufficient information on which to base a judgement.

## Conclusions and Recommendations on the TRP

### ***Recommendation 22 (High)***

*The TRP operates in isolation from important aspects of Global Fund business and there would be advantage in more clearly defining the degree of independence that the Global Fund requires in this review process, towards establishing a more direct role for technical staff from the Secretariat in the proposal review process. Different parts of the Secretariat - including the country proposals team, the evaluation team, the knowledge management team, its technical advisers and the country portfolio management teams - could all usefully assist the TRP more extensively to achieve a more effective review of proposals.*

### ***Recommendation 23 (Merits attention)***

*Given the potentially valuable contribution that staff of the Global Fund's technical partners can make, it would be useful to revisit the reasons for excluding staff of the UN and its specialised agencies from TRP proposal review process.*

### ***Recommendation 24 (Significant)***

*There is potential for more comprehensive review of proposals before they reach the TRP, to ensure that budgets, procurement, other logistical arrangements and perhaps provision for monitoring and evaluation meet minimum standards. It would be very important, however, for these issues to remain legitimate subjects of review and enquiry by the TRP in the context of its assessment of the technical merit of proposals. (Secretariat staff responsible for reviewing these factors in advance of TRP meetings should be available at the meetings to discuss issues in relation to individual proposals.)*

### ***Recommendation 25 (High)***

*The Global Fund should give consideration to the inclusion of performance reports with adequate impact indicators (agreed by the TRP) in proposal documentation. Assessments of the soundness of a new proposal in the light of past performance should be considered as a mandatory element of TRP review and explicitly addressed in TRP review forms as a mandatory component of the review report. This would achieve better delivery against the Global Fund's key performance indicator to ensure that funding follows grant performance.*

### ***Recommendation 26 (Significant)***

*It would be useful to consider further strengthening the TRP review process by examining the feasibility of setting up smaller TRP groups for rounds-based proposals, meeting at intervals throughout the year rather than at a single annual meeting. One objective would be to reduce still further the number of proposals reviewers are required to process in the course of a TRP meeting.*





## X. TRP Review outputs

### The nature and usability of TRP review findings and outputs

*Sources used/reviewed:*

*Sample TRP proposal review forms from Round 9 and from previous rounds (especially R7 and R8)*

*TRP terms of reference*

*TRP reports on rounds-based applications 2002 - 2009*

166. The outcome of TRP review is provided in writing in the TRP Review Form, with assessment against each component of a proposal. These summarise the objectives, list strengths and weaknesses (noting whether these are major or minor) and set out areas that require clarification.

### Scoring Proposals

The TRP's comments include recommendations to the Board under four categories:

- Category 1, recommended for approval without changes (and with no or only minor clarifications);
- Category 2, recommended for approval provided that clarifications or adjustments are made within a limited timeframe;
- Category 3, not recommended for approval in the proposal's present form but the applicant is strongly encouraged to resubmit following major revision;
- Category 4, rejected.

167. Within this evaluation framework, the TRP either broadly accepts or rejects, giving reasons in each case. In practice - as a means of avoiding a situation where the Board might make commitments against resources it does not yet have at its disposal - there is a working arrangement by which relatively weak proposals, scored overall as 2, may be given a modified score of 2b. This indicates that, while eligible for financing in the view of the TRP, in the event of scarce resources these proposals would be allocated funds only as and when resources became available, and only when all proposals with a higher score (1 and 2a) had been funded first.

168. Neither the review of individual proposals nor the scoring arrangement and resulting recommendations directly address the Global Fund's objective of ensuring that countries with high levels of poverty and a high burden of disease should be given priority in the allocation of resources. The relative priority to be accorded to proposals is not considered by the TRP, which makes judgements on the technical merits of the proposals they review.

169. The score of 3 has raised practical difficulties from at least as early as Round 2. Awarding a category 3 score obliges the TRP to set out guidance on how the proposal will need to be strengthened or amended in order to stand a better chance of success in the next round. Much of the guidance given is apposite and useful, but the nature of the TRP process runs the risk of insufficient time being given to consider country-specific issues and information on past performance (see further above). Therefore there is no guarantee that the TRP's guidance for resubmission will be fully comprehensive, or that a proposal resubmitted after scoring 3 will succeed; and there are a number of examples of proposals that have in fact failed a second time.

170. A score of 3 could be a trigger for the Global Fund (perhaps the Board, at the meeting immediately following a funding round) to actively consider assistance to the proposing country, in order to improve its chances of success. In 2007, the Five Year Evaluation reported that the Global Fund could grow its portfolio over several years simply by focusing on improving the quality of previously non-recommended proposals (implicitly concentrating on proposals that scored 3).

171. If the Global Fund wished to consider making a specific commitment to invest effort in Category 3 proposals to enable them to succeed when resubmitted, the TRP would need to make a judgement on whether a proposal was worth that investment; and award a score of 4 in the absence of such potential. Ideally, the TRP's commentary and guidance could indicate which areas of the proposal would benefit from specific support and technical assistance.

### Rejected Proposals

172. A large number of proposals are rejected in the rounds-based application process. In Round 9, some 50% of proposals were recommended for funding and over time on average well under half the proposals that reach the TRP are recommended, with close to 20% (in some rounds) being already screened out before they reach the TRP.

173. The failure rate does not appear to be due to over-harsh review and assessment by the TRP, which looks for proposal strengths, and makes efforts to weight strengths as generously as possible against weaknesses when considering what score to give. According to the Global Fund's Five Year Evaluation exercise, the high number of rejections arises from the nature of the proposal system, which is used to identify programmes for funding but which is not ideal to ensure that funding is directed to applicants in most need.

174. Rejection for funding is of even greater concern, of course, when the applicant is rejected because of the poor quality of the proposal, but is a low income country and/or with high disease burden. This issue has been raised regularly by both the Board and the TRP, so far without any solution other than encouragement from the Board to ensure that unsuccessful applicants are made

aware of the opportunities available for receiving technical assistance to improve their proposals before resubmitting them.

### Quality and Usefulness of Feedback from the TRP Process

175. The TRP review form has been subject to improvement to clarify the recommendations made and to ensure that the review process highlights strengths and weaknesses in a way that will be useful to the applicant, whether for clarification of the proposal and subsequent implementation, or for rewriting for resubmission. However, review forms are far from comprehensive in terms of the benefits they offer to applicants and the repeated call for the TRP to identify significant weaknesses so as to guide applicants in addressing fundamental problems has not been consistently put into practice, although it is an important factor.

176. The Secretariat and the TRP chairs check the TRP review forms to ensure clarity and consistency as far as possible, before the primary and secondary reviewers of individual proposals sign off on recommendations to the Board. Work has been done on the outcome of TRP review as presented in the proposal review form, to identify patterns in the comments and analysis of the Panel. It has not been easy, however to identify consistent patterns that might form the basis of guidance to applicants.

177. Although not framed in any standardised way, themes have emerged from the study of TRP review forms. Certain aspects have attracted comment and criticism with a high degree of consistency, including: the description of a country's epidemiological situation in relation to the relevant disease; definition of target groups, and strategies to access them with both advice and treatment; financial gap analysis; questions arising from budgets; opportunities to coordinate HIV and TB interventions; and linkages and exact correspondence between programme objectives, work plans and budgets. Since their introduction, HSS components have attracted regular criticism for their failure to make linkages to wider strategic plans, although the guidelines for HSS proposals are not yet sufficiently well developed to make for responses that can be reviewed against clear criteria.

178. While TRP reviewers might resist attempts to standardise review criteria on narrower lines (fearing that they would be pushed towards an approach of "ticking boxes" in order to arrive at a score), a more structured and consistent application of agreed criteria would result in clearer conclusions and recommendations, and perhaps fairer scores. It should be possible to find rather more systematic or standardised ways of capturing TRP commentary on weaknesses and strengths as part of the proposal review forms. TRP commentary might even be linked to the provision of more detailed guidance on the Global Fund's website, structured around review criteria and common issues arising from them, which would help applicants find the right approach to these issues in their proposals.

## Conclusions and Recommendations on TRP Review Outputs

### *Recommendation 27 (Significant)*

*The review indicates that there is scope to improve the design and content of TRP review forms to provide more extensive feedback on the quality of individual proposals, against a more structured and consistent application of agreed criteria.*

### *Recommendation 28 (Merits attention)*

*Given the dependence on TRP review forms and the rejection rate experienced to date, the Global Fund might consider whether there is a need to explore other, broader means of learning lessons to benefit potential applicants, particularly in relation to the desired matching of funds to need. Consequentially reduced rejection rates and better quality proposals would support more effective, less problematic and quicker funding decisions; and therefore better progress against the Global Fund's key performance indicators.*

## XI. The Appeals Process

### The quality of the appeals process

#### *Sources used/reviewed:*

#### *Global Fund guidance on Applying for Grants*

#### *Records of all appeal panels for rounds-based proposals, with records of Board responses to Appeal Panel recommendations*

179. The independent appeals process is used relatively little, even though a fair number of proposals are eligible for appeal, having been presented unsuccessfully as two successive round-based applications.

180. Having failed TRP review scrutiny twice, an appeal would seem an attractive proposition, enabling the proposal to be examined in a context rather different from the TRP. The number of appeals made by those eligible is however only about 25%.

181. It may be that even though eligible to appeal potential recipients take the view that the advice expressed by the TRP in its two successive rejections of a proposal constitutes enough guidance to enable them to prepare a further, third version of their proposal with greater confidence of success.

182. The pattern of results from appeals shows a success rate of about one in five. Successful appeals have characteristically been relatively modest in value (often less than \$20 million), though it is not evident why this should be since they are not necessarily proposals from small countries.

183. The appeal procedure differs in several respects from the TRP review process. Papers are delivered in advance to appeal panel members, allowing much-needed time for review. Experts recommended by UNAIDS, Stop TB and Roll Back Malaria - along with two TRP members - are automatically part of an appeal panel, which thus introduces experts recommended by agencies familiar with the countries and the type of programmes supported by the Global Fund. These experts sit on the appeal panel in a personal capacity. The appeal panel is a small group: five members, facilitating detailed and meaningful debate and the comprehensive exchange of views. The appeal panel may also have access to information directly from country programme staff in the Secretariat.

184. The appeal panel is required to judge whether the TRP made a significant and obvious error in its review of the proposal and in theory could focus solely on areas already highlighted for attention in the TRP review form. Reports of the appeal process, however, indicate that the appeals panel does more than this, subjecting the proposal to a thorough fresh review. Some of the advice and comments emerging from the appeal panel give significant and helpful guidance to the applicant, even in cases when the appeal is not successful.

## Conclusions on the Appeals Process

### *Recommendation 29 (N/A)*

*The appeal process appears to be robust and appropriate to the circumstances. It may act in some measure as a broad indicator of quality assurance on the TRP, though it is difficult to draw conclusions given the relatively small number of appeals made.*

## XII. People interviewed or who gave views

*[Views expressed in the present report are those of the OIG reviewer, not necessarily the views of those interviewed or who otherwise contributed.]*

### Global Fund Secretariat

Executive Director

Director of Strategy, Performance and Evaluation

Unit Heads

AMFm

Knowledge Management

Monitoring and Evaluation

Strategy and Policy Development

Team Leaders

Country Proposals

East Africa and Indian Ocean

Southern Africa

West and Central Africa

South Asia

Eastern Europe and Central Asia

Middle East and North Africa

(Team leaders were supported by country programmes staff at some meetings)

Senior adviser

Strategy and development policy team

In addition, the country proposals team provided supporting documentation and was available to discuss issues as requested outside structured interviews.

### The Board

The FAC Chairman, Peter van Rooijen, commented on an earlier version of the report, and provided a number of valuable insights, as well as suggestions on issues to follow up.

### TRP

Discussions on an unattributable basis were held with a large number of TRP members in the margins of the TRP's Round 9 meeting in August 2009.

In addition, particularly extensive comments were received from three TRP members: Shawn Baker, Peter Barron and Joe Decosas; and a meeting was held in December 2009 with Bola Oyeledun, Shawn Baker and George Gotsadze to discuss emerging issues, with the participation of the Secretariat's country proposals team.



### Others

The review also drew on informal discussions with contacts at the African and Asian Development Banks, the European Commission Development Directorate, the IBRD (World Bank), International Monetary Fund, the UN Secretariat, UNICEF, UNESCO and WHO.

## Annex: 1 Secretariat comments and responses

### **Secretariat comments and responses to the report of the Office of the Inspector General titled: “Review of the Global Fund Application Process**

What follows is an overview of the Secretariat response to the OIG report titled ‘Review of Global Fund Grant Application Process’.

This is accompanied by a table (Annex 2) which indicates the Secretariat response and intended actions on all the recommendations.

This memo presents an overview of the Secretariat response to the report summarizing the overall reaction and indicating key actions to be taken in relation to the high priority recommendations in the report. This memo is accompanied by a table which indicates the Secretariat response and intended actions on all the recommendations, a table outlining clarifications for factual errors, and a report prepared by the Technical Review Panel (TRP) which provides its comments on the OIG report.

### **Overall reaction to the report**

This Secretariat response is guided by the fact that the report is not a ‘traditional’ audit report but a review of the Grant Application Process which seeks to put important issues on the table, many of which are for consideration by the Board rather than action by the Secretariat. The report presents 28 recommendations. In this response we will focus on the 11 ‘high’ priority recommendations. We make a distinction between those recommendations that are for Board consideration because they would require significant changes to the current Grant Application Process, and those that the Secretariat has the authority to address. Overall the review provides some useful recommendations to enhance the application process, some recommendations that require further analysis for the Board to consider, and some recommendations which are potentially contradictory and would benefit further analysis.

### **Recommendations for Further Analysis and Board Consideration**

#### The OIG Report Section on the Board and Its Committees

Recommendation 1 suggests that the Global Fund “would benefit from a more structured relationship between the Board (and its committees) and the TRP” and gives some suggestions for how this could happen. The Secretariat has provided suggestions on this recommendation but also notes that this recommendation is for the Board to consider. This includes extending ‘standing invitations’ to the TRP to attend Board and Committee meetings.

### The OIG Report Section on Preliminary Screening

There are three 'priority' recommendations (19, 20 and 22) which require Board consideration of options and further analysis because they suggest reform of some fundamental elements in the Grant Application Process. They refer specifically to the degree of independence of the review process, the role of the Secretariat staff in the review process, a potential role in the screening process of screening out technically poor proposals prior to TRP review, and widening the scope of the screening process on a range of budget, procurement and logistics to ensure minimum standards before proposals go forward for technical review.

### **Response and actions to the 'priority' recommendations for the Secretariat**

#### The OIG Report Section on The Board and Its Committees

The Secretariat will be extending the Financial Analysis Support to the TRP in Round 10 which responds to recommendation 3 on strengthening the scrutiny of proposal budgets, procurement and logistics and financial management arrangements. We also suggest further analysis of the pros and cons of other additional steps to scrutinize budgets because it is potentially at odds with recommendation 5 suggesting a reducing in the time lag between TRP review and formal Board approval.

The Secretariat has planned a number of actions that will help improve the evaluation of portfolio performance in the context of funding decisions, in particular with a new Phase 2 scoring systems being introduced and the Periodic Review to be introduced as part of the new Global Fund architecture implementation.

#### The OIG Report Section on Modalities for Grant Applications

Recommendation 9 suggests the Global Fund should "consider further how best to manage processes such as monitoring, evaluation and coordination with country interlocutors (including the CCM) and with the Global Fund's "partner" representatives in NSA countries if large multi-year funding tranches become the norm. This is a recommendation which merits Board discussion on the appropriate role of the Secretariat to support in-country processes in the context of the new architecture implementation. A paper will be submitted to the 22<sup>nd</sup> Board as part of the M & E strategy.

#### The OIG Report Section on Rounds-based applications and call for proposals

There were three 'high' priority recommendations in this category. The Secretariat will continue to work with different stakeholders to further simplify the application processes and forms (Recommendation 10). There is work on-going for Round 10, but we hope that substantive improvements will

## The OIG Review of the Global Fund Grant Application Process

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be made for Round 11. The new Phase 2 Grant Scorecard and new IT solutions will also collate key data to aid simplification.

The Secretariat will also continue to engage stakeholders to ensure that the flow and logic of the questions in the Proposal Form are simple and clear (relating to Recommendation 11). The Secretariat plans to introduce an automation of the form from Round 11 which should provide additional opportunities to simplify and improve the way applications provide information to the Global Fund. The new Phase 2 Grant Scorecard and new IT solutions will also collate key data to aid simplification.

A PIC sub-working group is submitting a Technical Assistance “options” paper to the Board in April 2010 (relating to Recommendation 12 and 18 on ensuring technical assistance is available for proposal development). The paper will form the basis of discussions at the 21<sup>st</sup> Board meeting. The paper discusses support to proposal development.

### The OIG Report Section on the Technical Review Panel

The report makes a number of suggestions on the Technical Review Panel. The key one (recommendation 22) is referred to above as it is for the Board to consider and define the independence that the Global Fund requires of the review process. The report also recommends that the Global Fund should give consideration to the inclusion of performance reports with adequate impact indicators in proposal documentation (Recommendation 25). The Secretariat is working with the TRP to develop new reports specific to TRP review to ensure that relevant information on existing funding and implementation is provided to the TRP at a high quality and in a consistent and clear manner for Round 10.

## Annex: 2 Recommendations and Action Plan

### Review of the Effectiveness of the Global Fund application process

<i>Recommendations</i>	Response and action	Responsible	Timeline	The OIG Comments
<p><b>Recommendation 1 (High)</b>  <i>The Global Fund would benefit from a more structured relationship between the Board (and its committees) and the TRP, through the establishment of a regular forum for the discussion of policy and implementation issues. This might take the form of, or be supported by, a technical committee of the PC/PIC, though in any event there should be regular interaction between the Board in plenary and the TRP.</i></p>	<ul style="list-style-type: none"> <li>The relationship between the TRP and the Board and its committees was discussed at the Round 9 TRP meeting in September 2009 as part of a broader discussion on TRP independence.</li> <li>TRP leadership has always presented recommendations and lessons learned to the Board when funding decisions are on the agenda (typically the November Board Meetings) and more and more the TRP leadership is invited and attended PIC and PSC meetings.</li> <li>There have been several recent steps to improve interaction between the TRP and Board. For example: <ul style="list-style-type: none"> <li>The TRP leadership met with the Board leadership during the 20<sup>th</sup> Board meeting (November 2009) and it was agreed to continue this dialogue;</li> </ul> </li> </ul>	Board		<ul style="list-style-type: none"> <li>Current moves towards more regular interaction are promising. It would be useful if specific objectives and a product of such interaction could be defined, and included in the TORS of respective committees, of the Board itself, and of the TRP.</li> <li>The OIG awaits with interest the Board's reaction to the proposal that it consider establishing a technical committee with a mandate to work with TRP on TRP issues. As envisaged by the OIG, such a committee would involve a two-way exchange on policy issues, as the Board evolves policy, and as the TRP assesses its impact on performance and new</li> </ul>

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<i>Recommendations</i>	Response and action	Responsible	Timeline	The OIG Comments
	<ul style="list-style-type: none"> <li>○ The TRP leadership was invited to participate in the recent February 2010 Retreat</li> <li>○ TRP Chair attended the PIC and PSC meetings in March 2010</li> <li>○ TRP is participating in several Committee Sub-working groups (Rd 10 prioritization, Value for Money, TA, etc)</li> </ul> <ul style="list-style-type: none"> <li>• More regular attendance by TRP leadership at Board and Committee Meetings is now arranged and facilitated by the addition of a second Vice-Chair.</li> </ul> <p><u><i>Actions</i></u></p> <p><i>A1. Secretariat suggests that a closer relationship be formalized through “standing invitations” to the TRP to attend (as observers) Board Committee meetings (PIC and PSC in particular) in addition to the Board Meetings for matters that relate to the TRP. (April 2010)</i></p>		A1. Apr. 2010	<p>proposals. The OIG would expect any such body to require robust support from the Global Fund’s evaluation staff. Its work would feed back into the work of the evaluators.</p> <ul style="list-style-type: none"> <li>• The OIG is less convinced by the need for further focus on the TRP’s independence. Strong institutional safeguards already exist. The OIG by contrast underscores several ways in which there might be a closer working relationship between the TRP and the Board (as well as the Secretariat).</li> </ul>

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<i>Recommendations</i>	Response and action	Responsible	Timeline	The OIG Comments
	<i>A2. To further strengthen the notion of TRP's independence, the TRP could be asked to provide views directly to a committee (Reports would not be "cleared" through Secretariat).(April 2010)</i>		<i>A2. Apr. 2010</i>	
<p><b>Recommendation 2 (Significant)</b></p> <p><i>Eligibility criteria would benefit from review, as would the extent of compliance with the objective laid down in the Global Fund's framework document to direct funding to those most in need (the poorest countries, and/or those with the highest disease burden). The Board and its PC/PIC has such a review in hand.</i></p>	<ul style="list-style-type: none"> <li>• Different to the previous 'eligibility reviews', this year it was discussed at the Board meeting in Addis Ababa (November 2009) that there should be a discussion on eligibility that would focus on broader issues of the Global Fund strategic architecture. The work on the eligibility criteria is going forward, as scheduled, and will be decided upon by the Board in 2010</li> <li>• Current eligibility policies do favor countries (those most in need) on several levels, e.g., most in need (lower income) are not restricted to amount of funds requested as is the case for Lower-middle and upper-middle income countries (cost sharing). Funding for eligible upper middle income countries is limited to 10%. In a resource constrained setting, disease</li> </ul>	Board		<ul style="list-style-type: none"> <li>• The OIG notes that action is ongoing, with Board conclusions expected in 2010. The OIG findings support the focus being given in current work on eligibility to broader issues, beyond income levels: the OIG would encourage a focus not only on issues of strategic architecture (as already contemplated) but also on issues arising from the Global Fund's mission, as set out in the Global Fund's framework document (the validity of which was reaffirmed by the Board in 2009). The framework document suggests that priority should be given to</li> </ul>

## The OIG Review of the Global Fund Grant Application Process

<i>Recommendations</i>	Response and action	Responsible	Timeline	The OIG Comments
	<p>burden and poverty are used to prioritize.</p> <p><i>No action is necessary</i></p>			disease burden and poverty in making funding allocations at all times and through all mechanisms.
<p><b>Recommendation 3 (High)</b>  <i>There is scope to improve the quality of the Board's governance by enhancing the proposal review process to ensure that proposals have been adequately scrutinised in financial terms - including budgets, procurement and logistics, and financial management arrangements - before they are recommended to the Board for approval.</i></p>	<ul style="list-style-type: none"> <li>Accountability is one of the Global Fund's key principles and there are several measures in place/ recent improvements made to ensure that financial aspects are duly taken into consideration - see below. However, there is a need to note that the recommendation for a more in-depth financial review would likely delay the process of Board approval. It would also waste resources in that in- depth budget reviews of proposals that may end up being rejected on technical merit rather than budget issues is inefficient. It would be better to focus on providing additional guidance and support via technical assistance to ensure Budgets are submitted which are of high quality. The reality is that many budgets are prepared by Consultants and do not involve the proposed PRs leading to difficulties during grant negotiation down the line. A greater focus on budget preparation would be</li> </ul>	Secretariat consulting TRP and Board /FAC		<ul style="list-style-type: none"> <li>The OIG recognizes the potential importance of more upstream work on budgets and the financial soundness of proposals.</li> <li>The OIG suggests that upstream work should focus on procurement issues also, since they are key to accountability, and a priority for improvement (as shown by parallel OIG work in 2009 -2010).</li> <li>It is not clear to the OIG that more work on financial and procurement issues at an earlier stage would necessarily delay Board approval of proposals. Additional time might need</li> </ul>



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<i>Recommendations</i>	Response and action	Responsible	Timeline	The OIG Comments
	<p>preferable to more</p> <p>focus on screening. This comment is also relevant to recommendation 20 and 24.</p> <ul style="list-style-type: none"> <li>○ As an additional quality assurance mechanism (tool) the TRP did have access to financial analysis support for applications requesting more than US\$ 100 million during their Round 9 review and the Secretariat will be planning this again on a larger scale as from Round 10.</li> <li>○ Board “approval” is followed by TRP clarifications which may include an Independent Budget Review. Following conclusion of TRP clarifications, grant negotiations with the Secretariat take place prior to signing the grant and formally committing the funds. These negotiations include a detailed review of the budget, procurement and logistics and financial management arrangements by the LFA. This is regarded as the most appropriate sequencing of these due diligence steps.</li> <li>○ According to the current system,</li> </ul>			<p>to be built into the proposal management cycle at two stages: (i) between the issue of the call for proposals and the date for submission; and (ii) between the receipt of proposals by the Secretariat and TRP review. The net result would be a longer proposal management process. The period between TRP review and Board approval would not <i>per se</i> be affected by work done earlier in the application process (though there are other reasons for trying to shorten this period).</p> <ul style="list-style-type: none"> <li>• Scrutiny of budgets and procurement issues should, in the OIG’s view, take place in advance of TRP review. The FAS pilot for R9 review showed the value of the exercise, but the FAS was subject to similar constraints (<i>prima facie</i> unnecessary in their case) as the TRP members: in</li> </ul>

## The OIG Review of the Global Fund Grant Application Process

<i>Recommendations</i>	Response and action	Responsible	Timeline	The OIG Comments
	<p>the Board has detailed background information on performance as well</p> <p>as issues related to financial aspects, procurement, etc. to be considered for the Phase 2 decision (commitment of additional funding).</p> <p><u><i>Actions</i></u></p> <p><i>A1. The Secretariat proposes to conduct an analysis highlighting pros and cons of additional steps to the review process taking into account Recommendation 5, "to reduce the time lag between the conclusion of TRP rounds-based review and formal Board approval".</i></p> <p><i>A2. As requested by the TRP, the Secretariat will be extending the Financial Analysis Support (FAS) to the TRP in Round 10 to ensure a greater number of proposal budgets receive this pre-review. (Rd 10)</i></p>		<p><i>A1. By 2010</i></p> <p><i>A2. Round 10</i></p>	<p>particular time pressure. If an FAS were to cover all proposals in future rounds (not simply proposals valued at \$100m +) the time constraints would be more severe, even if the FAS were considerably enlarged. Since the FAS did not participate directly in proposal review meetings, its physical presence at TRP meetings could readily be dispensed with.</p> <ul style="list-style-type: none"> <li>While advance scrutiny of budgets and procurement would inevitably mean that it would be applied to some proposals eventually to be rejected, the OIG would not favour delaying the scrutiny until after the TRP's technical review, on the grounds that financial issues are integral to such review, and should not be separated from it. Many TRP members recognize this. Prior scrutiny</li> </ul>

<i>Recommendations</i>	Response and action	Responsible	Timeline	The OIG Comments
				<p>of budget and procurement issues is likely to add value to the TRP's consideration of these issues (for which the TRP might be provided with guidance or tools).</p> <ul style="list-style-type: none"> <li>• The fact that budget and procurement issues are integral to proposal review, and to successful programme implementation, underlies the OIG's concern that proposals recommended to the Board for approval should already have undergone complete analysis in respect of these issues, enabling the Board to be confident that it approves proposals already deemed to be sound.</li> <li>• The OIG recognizes the link that the Secretariat proposes to explore between its Recommendation 3 (on accountability) and Recommendation 5 (on</li> </ul>

## The OIG Review of the Global Fund Grant Application Process

<i>Recommendations</i>	Response and action	Responsible	Timeline	The OIG Comments
				addressing the time-lag between TRP and Board approval), though does not see any inconsistency between the two recommendations. The OIG emphasizes the priority that should be given to a satisfactory outcome on accountability in assessing the merits of the two recommendations.
<p><b>Recommendation 4 (High)</b></p> <p><i>The quality of oversight provided by the Board would be enhanced by regular evaluation of portfolio performance in the context of funding decisions; and the provision for periodic review of the impact of new policy decisions that have a bearing on grant</i></p>	<ul style="list-style-type: none"> <li>• In addition to evaluations/studies carried out or overseen by the TERG, there are assessments implemented to document and assess the learnings from new strategies/policies (e.g., NSA FLW).</li> <li>• There is stringent performance evaluation prior to the Board making decisions to further commit funds at the Phase 2 stage (and this will continue to be the case in periodic reviews as part of the new architecture).</li> </ul>	Board		<ul style="list-style-type: none"> <li>• This recommendation was intended to focus on specific timetabled review by the Board of its own policy decisions and prescriptions. The Secretariat reply does not cover this.</li> </ul>

<i>Recommendations</i>	Response and action	Responsible	Timeline	The OIG Comments
<i>applications</i>	<ul style="list-style-type: none"> <li>For new funding recommendations from the TRP, it has now been the practice for several rounds for the TRP to take into account performance more carefully. This could however be strengthened and will benefit from the introduction of the single stream of funding.</li> <li>Moving to single streams of funding will give all stakeholders (PRs, CCMs, the TRP, the Secretariat and the Board) a much more holistic view of what is happening with Global Fund grant money as it relates to country disease programs. This will enhance the TRP's ability to make decisions about future funding proposals, as they will have a more robust picture of existing Global Fund funding support of country disease programs and the performance of the PRs implementing those programs.</li> <li>The same can be said for the Periodic Review Panel (which will replace the Phase 2 Panel in the new grant architecture) in its decisions about continuation of funding commitments.</li> </ul> <p><u>Action</u>  <i>A1. The Secretariat will continue to improve the information and tools used</i></p>		A1. On-going	

## The OIG Review of the Global Fund Grant Application Process

<i>Recommendations</i>	Response and action	Responsible	Timeline	The OIG Comments
	<p><i>by the TRP to review past performance of applicants. (on-going)</i></p> <p><i>A2. A new Phase 2 scoring system will be introduced in May 2010.</i></p> <p><i>A3. Periodic Review will be introduced in January 2011.</i></p>		<p><i>A2. May 2010</i></p> <p><i>A3. Jan 2011</i></p>	
<p><b>Recommendation 5</b> <b>(Merits attention)</b> <i>There is scope to reduce the time lag between the conclusion of TRP rounds-based review and formal Board approval, thus improving the speed of delivery of funding and performance against the Global Fund's key performance indicators.</i></p>	<ul style="list-style-type: none"> <li>• This is an important question and the issue on timing (from proposal development until the first disbursement) has been a focus of discussion for some time as it relates to the Global Fund's KPIs.</li> <li>• This particular step (from TRP meeting to Board approval at their meeting), typically required two months: 4 weeks for TRP Report writing and Review Forms and 4 weeks for Board review prior to their vote.</li> <li>• While recognising that the process should be swift, this needs to be balanced with an adequate timeframe, as due diligence needs to be applied for the grant application process.</li> <li>• The desire to reduce the time lag needs to</li> </ul>	Secretariat		<ul style="list-style-type: none"> <li>• The OIG questions the value of providing documentation to the Board a month in advance if the Board will approve all TRP recommendations - as it does under current arrangements - without substantive discussion of proposal content. Under these arrangements, there may be an argument for moving swiftly, perhaps by electronic voting, to approval as soon as the output of the TRP review meeting is available (once TRP and Secretariat have completed work on TRP review forms, shortly after the conclusion of the review meeting). The Board's role</li> </ul>

## The OIG Review of the Global Fund Grant Application Process

<i>Recommendations</i>	Response and action	Responsible	Timeline	The OIG Comments
	<p>be reconciled with the recommendation to add greater scrutiny to the process, particularly Recommendation 3.</p> <ul style="list-style-type: none"> <li>With greater emphasis placed on the quality of written feedback to countries, reducing the time would compromise the TRP and Secretariat to complete this important step in the process (currently 4 weeks of work).</li> </ul> <p><u>Action</u>  <i>A1. Time could be gained if the Board was not provided proposal documentation a full month in advance of their meeting. However, the Board would likely argue that it needs this time to fulfil its fiduciary obligations. (consistent with Recommendation 4).  A2. See Action for Recommendation 3.</i></p>		See Recommendations 3/4	<p>would be limited to discussion of broader issues arising as a result of proposal review.</p> <ul style="list-style-type: none"> <li>There is a counter-argument for the Board debating individual proposals, perhaps those presenting innovative features or particular difficulties, and making its own judgements about them, using the TRP's recommendations as a starting point for debate. This would be consistent with the Board's role and function, and with the Global Fund's mission. This argument is not, however, explored in detail in the final version of this review.</li> </ul>
<p><b>Recommendation 6</b>  <i>(Significant)</i>  There would be benefit in the Global Fund carrying out an analysis</p>	<ul style="list-style-type: none"> <li>This is a regular concern expressed and shared by the TRP, the Board and partners.</li> <li>The TRP does provide the main reasons for</li> </ul>	Secretariat		<ul style="list-style-type: none"> <li>Subject to the establishment of a timetable for action, the OIG considers that the actions proposed are relevant and useful.</li> </ul>

## The OIG Review of the Global Fund Grant Application Process

<i>Recommendations</i>	Response and action	Responsible	Timeline	The OIG Comments
<p><i>of the high percentage of rejected of proposals under the rounds-based approach to identify factors to further guide applicants and reduce the incidence of failure.</i></p>	<p>rejecting proposals in its report to the Board after each funding opportunity.</p> <ul style="list-style-type: none"> <li>• Further analysis of these “typical weaknesses” identified by the TRP in their review of proposals forms a key part of Secretariat communications.</li> <li>• Technical partners, and other organizations, have typically done useful analyses of the weaknesses identified in TRP Review Forms.</li> <li>• New this year, the TRP met in person with technical partners (WHO and UNAIDS) to share a “debrief” of their observations from the Round 9 review and to further explain the recommendations made in their Report to the Board.</li> <li>• Technical partners organize proposal development workshops with assistance from the Secretariat to draw upon lessons learned from the TRP and to clarify any aspects of policy and process.</li> <li>• There is merit in technical partners providing focused assistance to “repeat failures” and this does occur to some degree already.</li> </ul>			



<i>Recommendations</i>	Response and action	Responsible	Timeline	The OIG Comments
	<p><u>Actions</u></p> <p>A1. The Secretariat will continue to work with partners to ensure that the Global Fund's policies and processes are clear, and our communications will be strengthened to guide applicants to the relevant sources and tools of additional information and TA providers. (on-going)</p> <p>A2. As conducted in December 2009, the TRP will host debriefings with technical partners following their review of rounds-based proposals. (for Rd 10, on-going)</p> <p>A3. A new section on the Global Fund website to be developed as well to improve communication. (Rd 10)</p>		<p>A1. On-going</p> <p>A2. For R10, on-going</p> <p>A3. Round 10</p>	
<p><b>Recommendation 7</b> <b>(Merits attention)</b> In the light of experience, the Global Fund might review the RCC to confirm whether it has been adequately tested as a modality for grant applications, and whether there is scope</p>	<ul style="list-style-type: none"> <li>It is important to draw on lessons learned from the RCC to ensure that future policies and processes are strengthened and challenges previously encountered are avoided.</li> <li>The architecture review did take into account the lessons learned from the RCC experience. The Global Fund Board has already agreed that the RCC channel is</li> </ul>	Secretariat		—

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<i>Recommendations</i>	Response and action	Responsible	Timeline	The OIG Comments
<p><i>for continuing to make it available in some form. (For example, does the new single stream of funding approach proposed by the architecture review adequately capture the benefits associated with the RCC?)</i></p>	<p>                     duplicative, causes confusion for countries                       and leads to a fragmented project-style approach.                 </p> <ul style="list-style-type: none"> <li>The single stream of funding will enable a clearer focus on performance by eradicating fragmentation by the consolidation of grants.</li> </ul> <p><u><i>Actions</i></u>  <i>A1. At its upcoming April 2010 Board meeting, the Board will be voting on the</i></p> <p><i>introduction of mechanism to commit additional funding for strong performing programs at the time of periodic reviews. Similar to the RCC, the commitment of additional funds will be made on the basis of demonstrated strong performance and impact which will allow countries to accelerate implementation in cases where progress is outperforming what was originally planned. (2011)</i></p>		<p>A1.</p> <p>Pending Board Decision Apr. 2010</p>	

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<i>Recommendations</i>	Response and action	Responsible	Timeline	The OIG Comments
<p><b>Recommendation 8</b> <b>(Merits attention)</b></p> <p><i>There is scope for consideration of the proper role of the TRP in the NSA process (which will be particularly necessary when a concerted position is reached on the certification of national strategies).</i></p>	<ul style="list-style-type: none"> <li>At this upcoming 21<sup>st</sup> Board Meeting, decisions will be taken by the Board to proceed with a second funding opportunity for NSA and the appropriate role of the TRP in the joint assessments of national disease strategies and the application review will form part of the implementation planning now underway.</li> <li>The TRP played a unique role in the NSA FLW as the <u>sole</u> assessor of national strategies. This was allowed by the Board decision, but there is no intent to repeat this in the next funding opportunity - process will change to adoption of a joint assessment approach.</li> <li>TRP Focal Points were engaged to support the design and document the lessons learned from the FLW;</li> <li>A Learnings Report from the TRP regarding their experience with the FLW was recently presented to the Portfolio and Strategy Committee (PSC).</li> </ul>	<p>TRP Consulting</p> <p>Board and Secretariat</p>		<ul style="list-style-type: none"> <li>The OIG understands from the Secretariat's comments that there will continue to be opportunities for TRP members to take part in NSA reviews, although they will not have sole responsibility. The OIG considers such continued participation by TRP members in the process to be a benefit to the Global Fund, since TRP members bring not only personal expertise to the reviews but also enable cross-fertilisation of ideas gained from their experience of proposal review, and their familiarity with the way Global Fund policies are developed in practice.</li> </ul>

<i>Recommendations</i>	Response and action	Responsible	Timeline	The OIG Comments
	<p><u>Action</u></p> <p><i>A1. If confirmed by Board decision in April 2010, the Secretariat will initiate a next NSA funding opportunity in line with a phased roll-out approach and ensuring that it builds on the lessons learned in the FLW. (April 2010)</i></p> <p><i>A2. The TRP will not be the sole assessor of the national strategy as joint assessment process will engage a wider set of development partners;</i></p> <p><i>A3. The Secretariat will continue to draw on the TRP for advice and guidance (through TRP Focal Points) regarding the review processes and their particular role.</i></p>		<p><i>A1. April 2010</i></p> <p><i>A2. Joint Assessment timing to be determined</i></p> <p><i>A3. During 2010/2011</i></p>	

<i>Recommendations</i>	Response and action	Responsible	Timeline	The OIG Comments
<p><b>Recommendation 9 (High)</b>  <i>It would be helpful to consider further how best to manage processes such as monitoring, evaluation and coordination with country interlocutors (including the CCM) and with the Global Fund's "partner" representatives in NSA countries if large multi-year funding tranches become the norm.</i></p>	<ul style="list-style-type: none"> <li>This recommendation merits greater clarification from the OIG, but the accompanying text provided in the report suggests a possible in-country presence by Global Fund staff and/or greater engagement between Secretariat staff and applicants in the implementation of national strategies.</li> <li>This could suggest a drastic departure from a country-led approach and a major shift in the role of Secretariat should staff become involved in implementation for Rounds-based programs or NSAs.</li> </ul> <p><u>Action</u>  <i>A1. A broader discussion on the appropriate role of the Secretariat to support/assess in-country processes is merited, particularly in light of the introduction of new architecture and periodic reviews.</i>  <i>A2. A paper, as part of the M&amp;E strategy, is to be developed and submitted to the 22<sup>nd</sup> Board.</i></p>	Secretariat (this is follow up work on the funding architecture review)	<p>A1. N/A</p> <p>A2. Submitted to the 22<sup>nd</sup> Board</p>	<ul style="list-style-type: none"> <li>This recommendation relates to the impact on the application process of the revised funding architecture, as well as the likely scaling up of the NSA exercise. It is not intended to point the way to Global Fund in country presence (though the OIG heard suggestions from some interlocutors that in country presence might be useful or appropriate for NSA grant monitoring). The recommendation is intended to underscore the need for clarity on roles in issues related to grant applications, and by extension programme management. These issues include the CCM's role in overseeing proposal development, putting forward proposals and subsequently monitoring the programmes proposed (exercising</li> </ul>

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				<p>appropriate coordination of entities responsible for monitoring and evaluation,</p> <p>and ensuring that their work is responsive to Global Fund policy requirements); the management qualifications of PRs and SRs; the development of proposal budgets by qualified entities, taking into account the roles and responsibilities of different contributors; the development of rigorous procurement plans with proper procurement supervision during grant implementation; the establishment of clear indicators for performance, to be used as the basis for assessing grant proposals, which will in future be governed by the new protocol on coordination with previous grants (as a result of the funding architecture review). The application process indicates scope for</p>

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				<p>improvement in all the above areas.</p> <ul style="list-style-type: none"> <li>Planned broader discussion envisaged by the Secretariat in the light of the architecture review seems to be an appropriate response. A timetable, and an indication of how such a discussion might be focused (for example, on which regions?) would be useful.</li> </ul>
<p><b>Recommendation 10 (High)</b></p> <p><i>The call to submit proposals as currently formulated - with very specific guidance on how proposals should be presented and the issues they should focus on - is complex; and is also inconsistent with the Global Fund</i></p>	<ul style="list-style-type: none"> <li>This is indeed an ongoing challenge to ensure that processes are clear and simple, that the Proposal Form is short and at the same time ensures that applicants are provided useful guidance on what information is expected from them in order to be recommended by the TRP and ultimately receive funding from the Global Fund.</li> <li>The development/revision of the Proposal Form and Guidelines is the result of intense stakeholder consultations, including inputs received from technical</li> </ul>	Secretariat		<ul style="list-style-type: none"> <li>The Secretariat has made it clear that it recognizes the value of an application process that is as straightforward as possible for applicants, while capturing essential points.</li> <li>The OIG does not see any inconsistency between aiming for a simplified application/proposal form while requiring more standardized reporting by the</li> </ul>

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<i>Recommendations</i>	Response and action	Responsible	Timeline	The OIG Comments
<p><i>principle of supporting recipient-driven programmes.</i></p> <p><i>This indicates a need for a simpler yet standardised application process; and for the need to put emphasis on country-driven proposals.</i></p>	<p>partners, questionnaires from applicants, AIDSPAN, etc. and is subject to Board approval processes.</p> <ul style="list-style-type: none"> <li>The Secretariat is considering carefully other means to collect data from partners so that such information that otherwise does not inform the TRP review/ Board's decision on funding be removed from the application process and be captured through other means and only during grant negotiation (so that only information relevant to decision making at that stage is requested).</li> <li>The new Phase 2 Grant Scorecard will help/enable collection of key data.</li> </ul> <p><u>Actions</u></p> <p><i>A1. The Secretariat will continue to work with different stakeholders to further simplify the application process and forms. There is work going on regarding Round 10, but given the timeframe, we hope that substantive improvements will be made for Round 11 (applications through single stream of funding).</i></p> <p><i>A2. The new Phase 2 Grant Scorecard and new IT solutions will collate key</i></p>		<p>A1. For Rd. 11</p> <p>A2. 2010</p>	<p>TRP on proposal review (see Recommendation 27). The standardized reporting would</p> <p>ideally cover essential issues - epidemiology, the place of any new programme within a national strategy, finance and procurement, monitoring and evaluation, performance of existing programmes and grants (whether or not financed by the Global Fund) - and would rely on the TRP's professional experience to make judgments on these on the basis of documentation submitted. Documentation might be less systematically constrained by the format of the proposal form than it is at present.</p>



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<i>Recommendations</i>	Response and action	Responsible	Timeline	The OIG Comments
	<i>data.</i>			
<p><b>Recommendation 11 (High)</b>  <i>If a simpler format is considered to be beneficial, the existing guidelines and the application form should be rationalised, to emphasise the epidemiology of the disease; the contribution of Global Fund programmes to the country's total efforts to combat the disease; past performance; the budget; and key implementation issues, including procurement and programme management. (The TRP suggested in its Round 9 report that the TRP should be involved in</i></p>	<ul style="list-style-type: none"> <li>The Secretariat confirms that the Proposal Form is structured along the core parts of a proposal aimed at eliciting the essential information.</li> <li>If this essential information is not requested by a proposal form and the applicant does not provide it, the TRP will certainly need to ask for the information as a clarification (or condition upon which the recommendation is made), thereby further extending and complicating the process;</li> </ul> <p><u><i>Actions</i></u>  <i>A1. The Secretariat will continue to engage stakeholders (in particular consultations with TRP Focal Points and partners to ensure that the flow and logic of the questions in the Proposal Form are simple and clear. (on-going)</i></p>	Secretariat consulting TRP	A1. On-going	<ul style="list-style-type: none"> <li>The Secretariat has made it clear that it recognizes the value of an application process that is as straightforward as possible for applicants, while capturing essential points.</li> <li>The OIG does not see any inconsistency between aiming for a simplified application/proposal form while requiring more standardized reporting by the TRP on proposal review (see Recommendation 27). The standardized reporting would ideally cover essential issues - epidemiology, the place of any new programme within a national strategy, finance and procurement, monitoring and evaluation, performance of</li> </ul>

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<i>Recommendations</i>	Response and action	Responsible	Timeline	The OIG Comments
<p><i>any revision of the guidelines.) Simpler and more efficient processes will involve less time for all concerned and improve delivery against the</i></p> <p><i>Global Fund's key performance indicators</i></p>	<p><i>A2. The Secretariat plans to introduce an automation of the form as from Rd 11 with the introduction of an IT platform and this should also provide additional opportunities to simplify and improve the way applicants provide information to the Global Fund (i.e., they will create applicant profiles on line). (Rd 11)</i></p> <p><i>A3. The new Phase 2 Grant Score Card will collate key data.</i></p>		<p><b>A2. Round 11</b></p> <p><b>A3. 2010</b></p>	<p>existing programmes and grants (whether or not financed by the Global Fund) – and would rely on the TRP's professional experience to make judgements on these on</p> <p>the basis of documentation submitted. Documentation might be less systematically constrained by the format of the proposal form than it is at present.</p>
<p><b>Recommendation 12 (High)</b></p> <p><i>The Global Fund might consider ways of ensuring that the technical assistance available for proposal development and grant applications is more systematically presented and explained, in particular in relation to areas of the application form which characteristically elicit</i></p>	<ul style="list-style-type: none"> <li>• This is an area of ongoing work with technical partners.</li> <li>• Information sessions "road shows" are typically developed so that this exchange of information and lessons learned be shared on a regional basis by CCMs or applicants with similar issues.</li> </ul>	Secretariat		<ul style="list-style-type: none"> <li>• This is a priority for both Board and Secretariat. There are important links to be made to the strengthening of the dialogue with partners, and enabling a strengthened dialogue between partners and grant applicants (see Recommendation 18).</li> </ul>

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<p><i>weak or unhelpful answers (and which could be clarified). This might include the identification of ways in which applicants might more</i></p> <p><i>actively learn from each other and from others' previous experience when developing proposals. The value of motivating targets for grant signature required by the Global Fund's performance indicators will be negated if the preparation of proposals and amount of subsequent work is unnecessarily onerous.</i></p>	<p><u>Action</u>  A1. A PIC sub-working group is submitting a Technical Assistance "options" paper to the Board in April 2010. This paper will form the basis of discussions at the 21st Board meeting. The paper discusses support to proposal development. For example, see solution number 9 (on regional training) and reference to training on proposal preparation.</p>		<p>A1. Submission to the Board in April 2010</p>	
<p>\</p> <p><b>Recommendation 13 (Significant)</b>  <i>There is a need to clarify the requirements and review criteria in relation to the financing of the HSS component.</i></p>	<ul style="list-style-type: none"> <li>The Global Fund approach to HSS has evolved over time and remains an area of ongoing work. In recent rounds, the guidance has been provided through the WHO "HS Building Blocks" framework;</li> <li>While the TRP has commented on recent experiences reviewing Section 4B/5B, an</li> </ul>	<p>Board consulting TRP</p>		<ul style="list-style-type: none"> <li>Both Secretariat proposals for action on HSS appear to be timely and appropriate. A timetable for action would be useful.</li> </ul>

<i>Recommendations</i>	Response and action	Responsible	Timeline	The OIG Comments
	<p>evaluation of this approach has not occurred. It is recognized that there is need for improvement and further clarity.</p> <ul style="list-style-type: none"> <li>• A new approach to HSS (a new initiative to explore the joint HSS funding with GAVI and World Bank) will provide an opportunity to address current deficiencies. The outcomes of this work will likely influence the requirements and review criteria for HSS requests for funding through Rounds-based and NSAs.</li> </ul> <p><u>Action</u>  <i>A1. The Secretariat will continue to work with technical partners to clarify aspects related to HSS and provide clarifications with regards to review criteria in relation to new strategic directions (Joint HSS Funding Platform) and in advance of Round 11.</i>  <i>A2. The Secretariat will undertake a review of country experiences and challenges of requesting HSS funding to date through section 4B/5B and NSA, including case studies of successful proposals and HSS experience.</i></p>		<p>A1. In advance of Round 11</p> <p>A2. To be completed during 2010 to inform Rd. 11 proposal form design</p>	

<i>Recommendations</i>	Response and action	Responsible	Timeline	The OIG Comments
<p><i>Recommendation 14 (Significant)</i>  <i>Consideration could be given to reviving an appropriate and more effective level of contact between country programs teams and the TRP.</i></p>	<ul style="list-style-type: none"> <li>Information that is considered by the TRP as part of their review of proposals must be presented to them in a written form to ensure that the sources of information are well accounted for and transparent.</li> <li>In this regard, the emphasis is placed on the Country Programs documentation (provided in the Grant Performance Reports, notes on unsigned grants, strategic information sheets) provided on the implementation status and performance of existing portfolio rather than direct oral contact with the TRP.</li> </ul> <p><u><i>Actions</i></u>  <i>A1. The quality and completeness of written information (Grant Performance Reports) provided at the time of proposal review to be improved, combined with considering how TRP processes and outcomes could be made more transparent to the Country Program staff. (as of Rd 10)</i></p> <p><i>A2. More regular meetings - at least twice a year - between the TRP leadership and Country Programs</i></p>	Secretariat	<p>A1. As of R10</p> <p>A2. April 2010</p>	—

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	<i>leadership will be scheduled to discuss the adequate level of involvement. (April 2010)</i>			
<p><b>Recommendation 15</b> <b>(Merits attention)</b> The Global Fund could usefully consider the timing and disclosure of TRP recommendations to allow country programmes staff earlier knowledge of review results and the opportunity to begin following them up.</p>	<p><i>This recommendation has already been implemented in recognition of the advantages this earlier information provides the Country Programmes staff in work planning. (as of January 2010)</i></p>	Board		—
<p><b>Recommendation 16</b> <b>(Significant)</b> The management of the clarifications process should be reviewed, with clear guidelines on substantive engagement in this process by country programmes teams.</p>	<ul style="list-style-type: none"> <li>As for all aspects related to grants or grants-to-be, Country Programs is playing the key role. During the TRP clarification process, the Country Program staff members are copied on all communications so that they are involved and aware of all aspects of this process.</li> <li>As noted in the Round 9 TRP Report, the</li> </ul>	Secretariat		—

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	<p>TRP requested that the clarification process be managed by the Country Proposals Team in order to ensure consistency and provide greater support to the TRP in this process:</p> <p><a href="http://www.theglobalfund.org/documents/board/20/GF-BM20-09_TRP_ReportToBoard_and_Annexes1-5-6.pdf">http://www.theglobalfund.org/documents/board/20/GF-BM20-09_TRP_ReportToBoard_and_Annexes1-5-6.pdf</a>, p12</p> <p><u>Action</u>  <i>A1. Following the Round 9 clarification process managed by the Country Proposals team, the Secretariat will undertake an analysis of the proposed approach to ascertain the benefits (for TRP reviewers, applicants, and Country Programs) as well as the challenges experienced. (Dec 2010)</i></p>		A1. Dec. 2010	
<p><b>Recommendation 17 (Significant)</b>  <i>The Global Fund should further consider the role of country programmes</i></p>	<ul style="list-style-type: none"> <li>This recommendation seems to suggest a greater role for Country Programs in proposal development. This differs from the existing model where proposal development is spearheaded by the CCM</li> </ul>	Secretariat		<ul style="list-style-type: none"> <li>The proposed options paper seems to be a useful starting point for consideration of the role of country programs staff once changes are</li> </ul>

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<i>teams in the light of the outcome of the funding architecture review.</i>	<p>and the technical partners.</p> <ul style="list-style-type: none"> <li>The move towards single stream of funding and grant consolidation will call upon the Country Program staff as they support the portfolio during this critical transition. However, the proposal development aspects of this, in terms of the technical content, do not present a significant change</li> </ul> <p>for applicants. Architecture improvements related to the mechanics of grant negotiation will continue to be managed by Country Program staff.</p> <p><i>A1. The Secretariat could develop an options paper on the GF Secretariat role within any evolving model in which there is a focus on "informed" demand or 'country dialogue'- for discussion at the PSC/PIC.</i></p>		A1. Fall 2010 PIC/PSC (timing tbc by PSC/PIC Chair)	<p>implemented as a result of the grant architecture review. The OIG would support any attempt to include discussion on the relationship between Country Programs staff and staff of partners, both those active in country and those</p> <p>responsible for developing policy in respect of countries and regions. The relationship between country programs staff and interlocutors from partner agencies was observed by the OIG to be a critical factor influencing proposals.</p>
<p><b>Recommendation 18 (Significant)</b></p> <p><i>It seems clear that there would be considerable potential benefit to the Global Fund in carrying out a full study of the</i></p>	<ul style="list-style-type: none"> <li>This is a very important aspect of our relationship with partners and a lot of work has been done in this area.</li> <li>The role of partners in proposal preparation is well documented by partners. For example among multilateral</li> </ul>	Secretariat consulting Board/PSC		<ul style="list-style-type: none"> <li>The OIG notes that a comprehensive analysis of partner support might usefully be undertaken (see the first point of the Secretariat's response).</li> </ul>



<i>Recommendations</i>	Response and action	Responsible	Timeline	The OIG Comments
<i>role of the partners in proposal development in-country, to contribute to the Global Fund's development of a strategy for working with its partners across the whole spectrum of its business.</i>	<p>partners, UN agencies generally document and report the countries for which they have provided support for proposal development (ILO, UNICEF, etc). Bilateral partners that support proposal development also generally document and report on the countries for which they provide support for proposal preparation (e.g. JICA). However, there is no comprehensive analysis of each</p> <p>of these individual analyses and reports that captures that totality of support provided (either by country, region or globally).</p> <ul style="list-style-type: none"> <li>• After each round, each of the three disease partnerships conduct a review of the support provided and the success rate for the Round (e.g. RBM has done so, UNAIDS just completed their Round 9 analysis). Groups such as the 70% Coalition, RBM Harmonization Working Group and TB TEAM each analyze and report their specific support to countries for proposal preparation. Civil society groups undertake similar efforts already.</li> <li>• Regarding a strategy for working with</li> </ul>			<ul style="list-style-type: none"> <li>• The OIG notes the important initiatives already under way or to be undertaken in the area of partner relationships. Will the Partnerships Unit take the lead on all these initiatives, or is it envisaged that other units of the Secretariat will lead in some cases?</li> </ul>

<i>Recommendations</i>	Response and action	Responsible	Timeline	The OIG Comments
	<p>partners across the whole spectrum of its business, the Global Fund has taken important steps to address this issue (which was also raised in the Five Year Evaluation). First, the Board approved the Partnership Strategy in November 2009. The Partnership Strategy (developed in close consultation with partners) outlines how the Global Fund and partners will collaborate across six thematic areas: (1) Governance, Representation and Oversight; (2) Policy and Advocacy; (3) Technical Assistance; (4) Communications and Information Sharing; (5) Harmonization and Alignment; and (6) Resource Mobilization. An Implementation Plan for the Partnership Strategy was submitted to the PIC for information at its last meeting in March 2010. The Implementation Plan is for the period 2010-2012.</p> <p><u>Action</u>  <i>A1. A PIC sub-working group is submitting a Technical Assistance "options" paper to the Board in April 2010 that addresses three issues regarding TA (not just proposal preparation): (1) TA Planning and Coordination; (2) TA Funding; and (3)</i></p>		<p>A1. Board in April 2010</p>	

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<i>Recommendations</i>	Response and action	Responsible	Timeline	The OIG Comments
	<p><i>TA Evaluation and Quality Assurance.</i></p> <p><i>A2. Further analysis will follow based on TA strategy depending on Board decision.</i></p>		A2. Starting May 2010	
<p><b>Recommendation 19 (High)</b></p> <p><i>There may be benefit to the Global Fund in clarifying and strengthening the screening process, perhaps making it possible for poor proposals to be rejected at this stage, rather than going forward to the TRP (with screening criteria amended as necessary to make it possible to reject substantively poor proposals, even if they meet other eligibility criteria). Setting out the results of screening in a way which goes beyond</i></p>	<ul style="list-style-type: none"> <li>Amending screening criteria to make it possible to reject substantively poor proposals even if they meet "eligibility" criteria would require a Board Decision. According to current policy the Secretariat is making eligibility decisions and it is the role of the TRP to judge proposals for technical merit.</li> <li>Suggestions on screening for "quality" or CCM performance would need Board direction.</li> <li>Currently, the TRP is not reviewing the functionality of the CCM. And for this reason it is not useful to provide them with this information, as they are not mandated by the Board to take it into consideration in the review process.</li> </ul>	<p>Secretariat consulting Board/PSC</p>		<ul style="list-style-type: none"> <li>The OIG notes that the Board may wish to respond on this point. The OIG considers that the central importance of the CCM to the Global Fund model, and its key role in supervising grant management and coordinating key players in country make it a legitimate subject for consideration by the TRP, as a factor that may influence the likely success of a proposal during implementation.</li> </ul>

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<i>simple confirmation of eligibility and offers informed judgements on the status, function and performance of a CCM would be helpful to the TRP.</i>	<u>Action</u> <i>A1. This recommendation presents a considerable shift from current processes and would require Board guidance. Further analysis of options could be prepared for the Board.</i>		N/A	
<b>Recommendation 20 (High)</b> <i>Consideration could be given to significantly widening the scope of proposal screening, to include full scrutiny of budgets, procurement and other logistical arrangements so as to ensure that proposals meet minimum standards before going forward for technical review. The scope might perhaps be widened further to include monitoring and evaluation arrangements also. Improved screening will lead to more</i>	<ul style="list-style-type: none"> <li>The screening process cannot immediately accommodate the level of analysis suggested. The OIG timing of this additional scrutiny (as mentioned in the report) should be a critical consideration at proposal approval.</li> </ul> <u>Action</u> <i>A1. The Secretariat will work on enhancing provision of the background material/reports on existing grants to the TRP to facilitate their review.</i>	Secretariat consulting TRP	A1. Rd 10 TRP proposal review	<ul style="list-style-type: none"> <li>The OIG recognizes that this is a demanding recommendation, but believes that either more work “upstream” during proposal development, or more rigorous screening before proposals reach the TRP would enhance the quality of proposals that reach the TRP for review and improve the success rate of proposals submitted under the rounds based application process.</li> </ul>

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<i>Recommendations</i>	Response and action	Responsible	Timeline	The OIG Comments
<p><i>efficient decision making and a better targeting of funds to the right proposals, in direct support of the requirements of the Global Fund's key performance indicators for linking funding with</i></p> <p><i>grant performance and the achievement of targets.</i></p>				
<p><b>Recommendation 21 (Significant)</b></p> <p><i>Given the advantages in institutional knowledge and continuity offered by permanent staff, consideration might also be given to assessing the case for a permanent Secretariat team of screeners to meet these enhanced and more substantial screening needs, drawing on a different mix of</i></p>	<ul style="list-style-type: none"> <li>• The suggestion here that screeners become permanent Secretariat team of screeners) within the Secretariat warrants further consideration in terms of reaching efficiencies and taking better advantage of human resources (and managing them).</li> <li>• Past practice has shown just how these resources are in demand well after the proposal screening process (all Rd9 screeners currently employed in short or long-term positions). Indeed, the organization is greatly benefiting from this group of temporary staff which has undergone a robust training and has</li> </ul>	Secretariat		<ul style="list-style-type: none"> <li>• The OIG notes the Secretariat's proposal to consider establishing the equivalent of a young professionals scheme; and considers that such a scheme could provide very useful underpinning to the grant application process (as well as an efficient use of human resources).</li> </ul>

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<i>Recommendations</i>	Response and action	Responsible	Timeline	The OIG Comments
<p><i>qualifications from the temporary screening team employed annually under present arrangements. The responsibilities of such a team might also include shadowing TRP review</i></p> <p><i>meetings and taking responsibility for managing, with country portfolio teams, the process of clarification that follows approval for funding.</i></p>	<p>acquired experience being a part of the 'gateway' to the funding from the Global Fund.</p> <ul style="list-style-type: none"> <li>Some of the proposal officers (screeners) are indeed facilitating the TRP clarification process.</li> <li>Currently, the majority of former "screeners" succeed to find other vacancies within the Secretariat to fill on a temporary basis (indeed a few are involved in the coordination of the TRP clarification process), but the desire to formalize this would provide a strategic Human Resource solution.</li> </ul> <p><u><i>Actions</i></u>  <i>A1. The Secretariat has developed for EMT discussion a paper that explores the establishment of a "Junior Professional Program" to formalize the hiring of young professionals to serve first as proposal officers (to complete the screening tasks) and then to facilitate a rotation through other aspects of the Global Fund business model to not only support TRP-related work with Country Proposals, but to</i></p>		A1. On-going	

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<i>Recommendations</i>	Response and action	Responsible	Timeline	The OIG Comments
	<i>gain exposure to the portfolio management or other functions within the Secretariat.</i>			
<p><b>Recommendation 22 (High)</b>  <i>The TRP operates in isolation from important aspects of Global Fund business and there would be advantage in more clearly defining the degree of independence that the Global Fund requires in this review process, towards establishing a more direct role for technical staff from the Secretariat in the proposal review process. Different parts of the Secretariat - including the country proposals team, the evaluation team, the knowledge</i></p>	<ul style="list-style-type: none"> <li>TRP independence is a fundamental principle of the Global Fund business model. Different teams of the Secretariat provide input in the review process, but do not influence decisions: <ul style="list-style-type: none"> <li>The Secretariat continuously works to improve the tools and support provided to the TRP;</li> <li>KMU is participating in preparation of Fact Sheets which are used by the TRP as policy guidance material in their review process;</li> <li>Strategic Information Team is providing high level information on portfolio, including different reports on existing funding and program;</li> <li>Country Programs provide key information on existing grants (GPRs, GSC, information on non signed applications) and answers questions related to the</li> </ul> </li> </ul>	Secretariat consulting TRP		—

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<i>Recommendations</i>	Response and action	Responsible	Timeline	The OIG Comments
<p><i>management team, its technical advisers and the country portfolio management teams - could all usefully assist the TRP more extensively to achieve a more effective review of proposals.</i></p>	<p>implementation arrangements, as appropriate; and</p> <ul style="list-style-type: none"> <li>Finance team, M&amp;E team are sharing lessons learned from the grant negotiations (during the briefing day or as a de-briefing"</li> </ul> <p><u>Action</u>  <i>A1. The Secretariat, through close consultation with the TRP, will continue to improve the quality of input to the TRP as an independent body of the Global Fund in a transparent and consistent way to facilitate effective review processes as well as a country level 'dialogue'. (on-going)</i></p>		A1. On-going	
<p><b>Recommendation 23 (Merits attention)</b>  <i>Given the potentially valuable contribution that staff of the Global Fund's technical partners, or experts recommended by them, can make, it would be useful to revisit the reasons for excluding</i></p>	<ul style="list-style-type: none"> <li>The UN and its specialized agencies staff indeed provide valuable contributions to the TRP processes through: <ul style="list-style-type: none"> <li>Setting technical policies/guidance to countries;</li> <li>Providing TA to countries and assisting them in proposal development and grant implementation on ground;</li> <li>Serving on the Global Funds Board and its committees to contribute</li> </ul> </li> </ul>	Secretariat consulting Board/PIC		—



<i>Recommendations</i>	Response and action	Responsible	Timeline	The OIG Comments
<p><i>staff of the UN and its specialised agencies from TRP process.</i></p>	<p>to strategic decisions of the Fund;</p> <ul style="list-style-type: none"> <li>○ Providing their input in enhancing the application process and guidelines and proposal forms for applications;</li> <li>○ Participating in recommending TRP membership and nominating Appeal</li> </ul> <p>panel members; and</p> <ul style="list-style-type: none"> <li>○ Providing support to the TRP during the review process - clarifying policy aspects and epidemiological information.</li> </ul> <ul style="list-style-type: none"> <li>• TRP members serve in their personal capacities and do not represent their organizations.</li> <li>• It was decided by the Board to revert back to the principles identified in the Framework document that UN staff support the review process, but do not serve on the TRP to avoid COI situation.</li> </ul> <p><u>Action</u></p> <p><i>A1. Secretariat is work closely with the TRP and technical partners (UN and specialized agency staff) to ensure</i></p>		<p>A1. On-going</p>	

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<i>Recommendations</i>	Response and action	Responsible	Timeline	The OIG Comments
	<p><i>meaningful engagement and discourse. (on-going)</i></p> <p><i>A2. This will be an agenda item for discussion at the PIC's 3<sup>rd</sup> meeting (26 April).</i></p>		<p><i>A2. PIC's 3<sup>rd</sup> meeting, 26 April 2010</i></p>	

## The OIG Review of the Global Fund Grant Application Process

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<i>Recommendations</i>	Response and action	Responsible	Timeline	The OIG Comments
<p><b>Recommendation 24 (Significant)</b>  <i>There is potential for more comprehensive review of proposals before they reach the TRP, to ensure that budgets, procurement, other logistical arrangements and perhaps provision for monitoring and evaluation meet minimum standards. It would be very important, however, for these issues to remain legitimate subjects of review and enquiry by the TRP in the context of its assessment of proposals' technical merit.</i></p>	<ul style="list-style-type: none"> <li>Please refer above to Recommendations 19 and 20.</li> </ul>	Secretariat consulting TRP		–

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<i>Recommendations</i>	Response and action	Responsible	Timeline	The OIG Comments
<p><i>(Secretariat staff responsible for reviewing these factors in advance of TRP meetings should be available at the meetings to discuss issues in relation to individual proposals.)</i></p>				

## The OIG Review of the Global Fund Grant Application Process

<i>Recommendations</i>	Response and action	Responsible	Timeline	The OIG Comments
<p><b>Recommendation 25 (High)</b>  <i>The Global Fund should give consideration to the inclusion of performance reports with adequate impact indicators (agreed by the TRP) in proposal documentation.</i>  <i>Assessments of the soundness of a new proposal in the light of past performance should be considered as a mandatory element of</i></p> <p><i>TRP review (as it currently is under the RCC) and covered in TRP review forms.</i>  <i>This would achieve better delivery against the Global Fund's key performance indicator to ensure that funding follows grant performance.</i></p>	<ul style="list-style-type: none"> <li>Information on existing grants is vital for the TRP as one of the TRP proposal review criteria (<i>demonstrate successful implementation of programs previously funded by international donors (incl., the Global Fund), and were relevant, efficient disbursement and use of funds (for this purpose, the TRP will make use of GPRs, GSC and other documents related to previous grant(s) in respect to Global Fund supported programs</i>). In this regard GPRs and Strategic Information sheets are made available to the TRP as part of the proposal documentation package.</li> <li>Typically, a comment on performance of existing grants is mentioned in TRP Review forms, however, the forms are structured to capture information on existing grants (including performance assessment) on the first page and the TRP comment on performance is based on the proposal (whether it is linked to a strength, major or minor weakness, or it raises a question for clarification/adjustment).</li> </ul>	Secretariat		<ul style="list-style-type: none"> <li>The OIG considers that specific coverage of performance issues in TRP review forms is important. Performance-based funding is a key founding principle of the Global Fund. The performance of previous grants might be given more specific attention in TRP review meetings, and reflected in the review forms. Previous performance is undoubtedly a critical indicator of likely future performance. It would therefore be useful to incorporate a mandatory section in the TRP review form.</li> </ul>

<i>Recommendations</i>	Response and action	Responsible	Timeline	The OIG Comments
	<p><u>Action</u>  A1. The Secretariat is working with the TRP to develop new reports specific to TRP review to ensure that relevant information on existing funding and implementation is provided to the TRP at a high quality and in consistent, clear manner. (Rd10)</p>		A1. Round 10	
<p><b>Recommendation 26 (Significant)</b>  It would be useful to consider further strengthening the TRP review process by examining the feasibility of setting up smaller TRP groups for rounds-based proposals, meeting at intervals throughout the year rather than at a</p>	<ul style="list-style-type: none"> <li>The TRP shares this view that smaller TRP facilitates the review process and this would be a welcome enhancement.</li> <li>As intended by an earlier Board Decision, if two calls for proposals are made on a predictable basis per year, with conditions on the eligibility of applications, the TRP could also be smaller.</li> <li>However, for the immediate future, (Rd 10), no major changes to TRP size (and</li> </ul>	Board consulting TRP		<ul style="list-style-type: none"> <li>The OIG notes that the TRP intends to build on the use of parallel plenaries, trialed in the last two TRP rounds based meetings, and considered useful by many TRP members. It appears appropriate to test further the ways in which such parallel plenaries may be able to enhance the review process.</li> </ul>

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<i>Recommendations</i>	Response and action	Responsible	Timeline	The OIG Comments
<p><i>single annual meeting.</i></p> <p><i>One objective would be to reduce still further the number of proposals reviewers are required to process in the course of a TRP meeting.</i></p>	<p>use</p> <p>of smaller TRP meetings) are likely.</p> <p><u>Action</u>  <i>A1. For now, the TRP will continue to implement parallel plenary sessions for Round 10 to enhance the process. If the Board endorses the recommendation from PIC, the TRP Vice Chairs will not serve as reviewers, but will facilitate the review process and further contribute to quality assurance processes.</i></p>		A1. On-going	<ul style="list-style-type: none"> <li>Other means of enhancing the review process merit further consideration: if frequent smaller meetings throughout the year were considered incompatible with the other professional duties of TRP members, it might be useful to test - perhaps on a pilot basis - the more extensive use of second reviews i.e. with proposals being reviewed by two small working groups, in order to test how far views corresponded. This would also be a useful way of testing the differing working methods adopted by different working groups, and drawing lessons from them. Best practice guidance might be gathered.</li> </ul>
<p><b>Recommendation 27 (Significant)</b>  <i>The review indicates that there is scope to improve</i></p>	<ul style="list-style-type: none"> <li>This is a work in progress as the TRP is continually finding ways to improve the format of their recommendations to the Board as well as feedback to applicants.</li> </ul>	Secretariat consulting TRP		<ul style="list-style-type: none"> <li>It would be useful to see a timetable for the action proposed</li> </ul>

## The OIG Review of the Global Fund Grant Application Process

<i>Recommendations</i>	Response and action	Responsible	Timeline	The OIG Comments
<p><i>the design and content of TRP review forms to provide more extensive feedback on the quality of individual proposals, against a more structured and consistent application of agreed criteria.</i></p>	<ul style="list-style-type: none"> <li>As expressed by applicants and technical partners, the quality of review forms has improved. However, it is acknowledged by</li> <li>the TRP that further enhancements should be done.</li> <li>As noted above, changes to TORs in progress to free up the Chair and Vice Chairs from proposal review to give them more time to quality assure the process and written feedback.</li> </ul> <p><u>Action</u>  <i>A1. The Secretariat will work with the TRP to assist the TRP in this important effort to improve the design and content of TRP Review Forms. (Rd10)</i></p>		A1. Round 10	
<p><b>Recommendation 28 (merits attention)</b>  <i>Given the dependence on TRP review forms and the rejection rate experienced to date, the</i></p>	<ul style="list-style-type: none"> <li>As explained in response to Recommendation 6 above, there are several measures that provide applicants with the “lessons learned” from TRP proposal review processes and these are communicated to applicants to help</li> </ul>	Secretariat		–



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<i>Recommendations</i>	Response and action	Responsible	Timeline	The OIG Comments
<p><i>Global Fund might consider whether there is a need to explore other, broader means of learning lessons to benefit potential applicants, particularly in relation to the desired matching of funds to need. Consequentially reduced rejection rates and better quality proposals would support more effective, less problematic and quicker funding decisions; and therefore better progress against the Global Fund's key performance indicators.</i></p>	<p>improve proposal development efforts.</p> <p><u>Action</u>  <i>A1. The Secretariat will continue efforts to improve communications and guidance to applicants through a new section on the Global Fund website and stronger messages to technical partners for Round 10.</i></p>		<p>A1. Round  10</p>	

## The OIG Review of the Global Fund Grant Application Process

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<i>Recommendations</i>	Response and action	Responsible	Timeline	The OIG Comments
<p><i>Recommendation 29</i></p> <p><i>The appeal process appears to be robust and appropriate to the circumstances. It may act in some measure as a broad indicator of quality assurance on the TRP, though it is difficult to draw conclusions given the relatively small number of appeals made.</i></p>		N/A		–

## Annex: 3 Abbreviations and Acronyms

CCM	Country Coordinating Mechanism
FAC	Finance and Audit Committee
FAS	Financial Advisory Service
HSS	Health Systems Strengthening
LFA	Local Funding Agent
M&E	Monitoring and Evaluation
NGO	Non-governmental organisation
NSA	National Strategy Application
OIG	Office of the Inspector General
PC/PIC	Portfolio/ and Implementation Committee
PR	Principal Recipient
PSC	Policy and Strategy Committee
RCC	Rolling Continuation Channel
SR	Sub-recipient
SRP	Screening Review Panel
TRP	Technical Review Panel
UN	United Nations
WHO	World Health Organization