

GLOBAL FUND OBSERVER (GFO) NEWSLETTER, a service of Aidspan.

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**1. NEWS: Aidspan Launches Web-Based Early Warning System for Global Fund Grants**  
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Aidspan, the NGO that publishes *Global Fund Observer*, today released a major web-based "early-warning" system that shows for every Global Fund grant how well that grant is performing against its own goals and in relation to other Global Fund grants. The analysis is available at Aidspan's newly-upgraded web site at [www.aidspan.org](http://www.aidspan.org).

Using a constantly-updated database derived from information at the Fund's web site, the Aidspan system shows a score and a graph that together indicate the extent to which each grant is or is not achieving the timeline originally anticipated.

Because the Global Fund is "results-based," it only sends a new financial disbursement for a grant after it receives evidence that earlier disbursements have been made use of as promised in the grant agreement. Thus, disbursements that are sent late provide a clear indication that grant performance is not on track.

Many grant implementers are not aware that the Fund has budgeted on the assumption that it will only approve about 85% of grants for Phase 2 (Years 3-5), with the remaining grants being wound down steadily after Year 2.

It is for these reasons that Aidspan has developed its early-warning system. The system enables visitors to [www.aidspan.org](http://www.aidspan.org) to see, on a day-by-day basis, how many months ahead of or behind schedule each grant is. Aidspan gives each grant a "performance rating" of A, B, C or D according to

whether the grant is on or ahead of schedule, up to three months behind schedule, three to six months behind schedule, or more than six months behind schedule.

In future issues of GFO, Aidspan will provide analyses of grant performance ratings averaged by country, continent, disease covered, type of Principal Recipient, and more.

Also, in the coming months, Aidspan will release further web-based features and services designed to be of value to those interested in Global Fund grant implementation.

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**2. COMMENTARY: Phase 2 Grant Renewal: A System That Backfired  
by Bernard Rivers**  
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Last year, the Global Fund established a procedure, known as "Phase 2 renewal," for determining which grants should receive three more years of funding after reaching the end of the two years covered in the original grant agreement. The Global Fund Secretariat suggested that these renewal decisions should be made by the Secretariat alone, given that each grant had originally been approved in principle for up to five years. At the insistence of the US board member, however, it was decided that the board would get involved in each renewal decision. Quite simply, the US was worried that the Secretariat would be too lenient.

This involvement by the board has completely backfired. Thus far, the board has never questioned any renewals proposed by the Secretariat. Instead, significant numbers of board members have said that certain poorly-performing grants should be renewed despite a Secretariat desire to terminate them.

In one particular case, which will be reported on in GFO after a final decision is made at next week's board meeting, enormous numbers of emails, phone calls and appeals are being generated as people attempt to persuade board members to over-rule the Secretariat's decision to terminate the grant.

This lobbying of board members was inevitable once the board decided to get involved in such decisions. One of the great strengths of the Fund is that the Phase 1 decision process (that is, the original approval of grants, rather than the later renewal) is entirely de-politicized. The Technical Review Panel divides all applications into a smaller pile that it recommends for approval, and a larger pile that it does not recommend for approval. Then, if there is enough money, the board says "Done," without any discussion of individual grants.

Can you imagine how long each board meeting would last if the board discussed, one at a time, the original approval of grants to countries like Cuba, Myanmar, and Zimbabwe, or of grants that focus on forms of prevention like harm reduction and condom promotion? And can you imagine the amount of lobbying of board members that would take place in that situation?

But that is where we are moving regarding the Phase 2 renewal process.

As board members prepare for this week's board meeting, they should be intently studying lengthy board papers that discuss key policy decisions. Instead, they are being distracted by particular renewal decisions that they were quite happy not to get involved in when the grants were originally approved.

When a grant is approved, or renewed, the decision to be made is not "Will this expenditure have some benefit?" Of course it will, and of course terminating the grant will cancel that benefit. The decision that actually has to be made is "Should scarce money be spent on this grant, or should it be spent on a different grant that might save more lives?"

If the Global Fund decides to renew every badly-performing grant, it will make a poor use of the money, it will reduce the incentive for implementers of other slow-moving grants to do better, and it will reduce the chances that donors will escalate their donations to the Fund.

The board hires professional staff to make tough professional decisions. Those decisions should be left to the staff. The board should instead focus on the big-picture issues. Like where to get the money from. And how to help poorly-performing grants long before they become candidates for termination.

[Bernard Rivers ([rivers@aidspan.org](mailto:rivers@aidspan.org)) is Executive Director of Aidspan and Editor of its GFO.]

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**3. NEWS: Global Fund Releases PDF Version of Round 5 Application Form**

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One month late, the Global Fund Secretariat today released the PDF version of the Round 5 application form. This version involves some "smart technology," whereby answers provided in one part of the form determine the questions asked in other parts, where numbers provided in some tables are automatically carried over into other tables, and where totals and percentages are automatically computed.

Applicants are free to use either the new PDF version, or the Word version that was released with the original Call for Proposals on March 17. The questions that have to be answered are the same in both versions. The disadvantages of the Word version are that applicants will have to bypass some questions not relevant to them; they will have to ensure that data they enter is consistent from one part of the form to another; and they will probably have to do a fair amount of copying and pasting. The disadvantages of the PDF version are that it is not that easy to use (the instruction booklet is expected to be over 50 pages long); that it has only just become available; and that as with all software products, there is a risk of bugs.

The Fund prefers applicants to use the PDF version because it will be easier for the Fund to import answers into its central database. However, applicants will probably find the Word version easier to use.

The PDF version is available at [www.theglobalfund.org/en/apply/call5/documents](http://www.theglobalfund.org/en/apply/call5/documents). Click on the PDF icon for the language of choice under "2. Proposal Form", enter email address and password (or apply to be given a password), right-click on the same icon as before, then click on "Save target as". At present, only the English version of the PDF form is available.

The instructions for use of the PDF version are not yet available. When ready, they will be posted on the same web page.

Within a day or two of the release of the instructions for use of the PDF version, Aidspan will publish at [www.aidspan.org/guides](http://www.aidspan.org/guides) the second edition of "*The Aidspan Guide to Round 5 Applications to the Global Fund*," with additional text regarding the PDF version.

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**4. NEWS: NGOs Choose New Global Fund Board Members**

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NGO delegations to the Global Fund have chosen new board members and alternates to represent them.

Elizabeth Mataka ([znan@zamnet.zm](mailto:znan@zamnet.zm)), Executive Director of the Zambia National AIDS Network (ZNAV), will serve for the rest of 2005 as Alternate (that is, Deputy) board member representing Developing Country NGOs, and then for 2006 as the board member.

Francoise Ndayishimiye ([fndayishimiye@cnilsburundi.org](mailto:fndayishimiye@cnilsburundi.org)), founding member of the PLWA network and of the GIPA Centre in Burundi, will serve for 2005 as Alternate board member representing the Communities of People Living with the Diseases, and then for 2006 as the board member.

Peter van Rooijen ([pvanrooijen@aidsfonds.nl](mailto:pvanrooijen@aidsfonds.nl)), Chair of STOP AIDS NOW! and of AIDS Fonds Netherlands, will serve for 2005 and 2006 as board member representing Developed Country NGOs.

The selection of all three people was made by a committee made up of three representatives of each of the three board delegations. Current board members and alternates were not members of the selection committee. Eight applications were received for the Communities of People Living with the Diseases position; fifteen for the Developing Country NGO position; and eight for the Developed Country NGO position.

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**5. NEWS: Global Fund Signs its Final "Round One" Grant**  
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On 14 April, the Global Fund signed its final Round 1 grant agreement. The \$10 million HIV grant to Zimbabwe was originally approved three years ago.

Two Round 2 grant agreements have not yet been signed, two and a quarter years after approval. These are with Malawi, for malaria, and with South Africa, for HIV/TB.

One Round 3 grant agreement has not yet been signed, eighteen months after approval. This is for a malaria grant to a multi-country group in the Andes.

Forty Round 4 grant agreements have not yet been signed, nine months after approval.

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END OF NEWSLETTER  
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This is an issue of the GLOBAL FUND OBSERVER (GFO) NEWSLETTER.

GFO is an independent source of news, analysis and commentary about the Global Fund to Fight AIDS, TB and Malaria ([www.theglobalfund.org](http://www.theglobalfund.org)). GFO is emailed to 7,500 subscribers in 170 countries once to twice a month.

Aidspan and the Global Fund have no formal connection, and Aidspan accepts no grants or fees from the Global Fund. The board and staff of the Fund have no influence on and bear no responsibility for the content of GFO or of any other Aidspan publication.

GFO has an Editorial Advisory Board comprising ICASO, GNP+ and the Eastern African National Networks of AIDS Service Organisations (the three organizations designated as Communications Focal Points within the Global Fund's NGO board delegations), and the International HIV/AIDS Alliance. GFO is currently provided in English only. It is hoped later to provide it in additional languages.

GFO is a free service of Aidspan ([www.aidspan.org](http://www.aidspan.org)), based in New York, USA. Aidspan is a nonprofit organization that promotes increased support for, and effectiveness of, the Global Fund.

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For a collection of papers on the Global Fund, see  
[www.aidspace.org/globalfund](http://www.aidspace.org/globalfund) and [www.theglobalfund.org/en/about/publications](http://www.theglobalfund.org/en/about/publications)

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People interested in writing articles for GFO are invited to email the editor, above.

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