

GLOBAL FUND OBSERVER (GFO), an independent newsletter about the Global Fund provided by Aidspace to over 10,000 subscribers.

Issue 77 – 30 September 2007. (For formatted web, Word and PDF versions of this and other issues, see [www.aidspace.org/gfo](http://www.aidspace.org/gfo) )

**Note:** This "double issue" of GFO is the first issue since June. During that pause (for which we apologize), Aidspace was moving its base of operations from New York to Nairobi, as discussed below.

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Donors are expected to give the Global Fund at least \$9.7 billion over the next three years, 57% more than they gave over the past three years. The pledges made at last week's Global Fund Replenishment Meeting in Berlin, chaired by Kofi Annan, constituted the largest single financing exercise for health that has ever taken place.

### [2. FEATURE: China Changes Course on Using NGOs as Grant Implementers](#)

Over the last few months, innovative plans by the China CCM to use an NGO as Principal Recipient for a Round 6 HIV/AIDS Global Fund grant, and to use small grass-roots NGOs for much of the implementation work, have been almost entirely reversed. The changes have arisen because there are few if any NGOs in China with sufficient experience to serve as PR, and because officials in China have little experience working with independent-thinking grass-roots NGOs. The Round 6 proposal was acceptable in principle to most of them; but the reality of implementing it appears to have been more than some of them could handle.

### [3. NEWS: Record Amount in New Grants Recommended for Approval in Round 7](#)

Round 7 applicants submitted fewer, but bigger and better, proposals than in any previous round. The TRP has reviewed the 150 eligible Round 7 proposals, and has recommended that the board approve 73 of them costing \$1,112 million, a record amount. Information on which ones have been recommended for approval will become known in November.

### [4. NEWS: "Aidspace Guide to Building and Running an Effective CCM \(Second Edition\)" is Released](#)

The second edition of "*The Aidspace Guide to Building and Running an Effective CCM*" has just been published. Versions of the guide in French and Spanish will be posted soon. The second edition contains considerably more information than the first edition, which was published in 2004.

### [5. ANALYSIS: New Donor Pledges Free Round 8 Applicants to Submit Bold Proposals](#)

The pledges made to the Fund for 2008-10 at last week's Replenishment Meeting were impressively large. They should enable the Fund to continue operations at its current level for at least another three years. No country need now worry that if they work hard on writing a high-quality Round 8 proposal that the TRP likes, the proposal will go unfunded.

### [6. EDITOR'S NOTE: Aidspace, Publisher of GFO, Moves From New York to Nairobi](#)

Aidspace, the NGO that publishes *Global Fund Observer*, has moved its primary base of operations from New York City, USA, to Nairobi, Kenya.

### [7. NEWS: "Debt2Health" Initiative Launched by Global Fund](#)

The Fund has launched a "Debt2Health" initiative that could generate substantial funds. The initiative is a form of debt conversion, in which Western governments that are owed money by

developing countries agree to cancel a portion of the debt on condition that the developing countries in question invest money in Global Fund-approved programmes.

[8. NEWS: Global Fund Lifts Suspensions of Grants to Chad](#)

The Global Fund has lifted its temporary suspension of two grants to Chad.

[9. NEWS: New Technical Support Publication by the GTZ BACKUP Initiative](#)

The GTZ BACKUP Initiative has published a guide on where technical support for capacity development of Global Fund recipients is most needed, who is able to provide it, and how to make best use of it.

[10. NEWS: "Observatorio Latino" Provides Information in Spanish Regarding Global Fund Activities in Latin America](#)

A new publication, "*Observatorio Latino*", provides information in Spanish on Global Fund activities in Latin America.

[11. EXCERPTS: Two Excerpts from "The Aidspan Guide to Building and Running an Effective CCM \(Second Edition\)"](#)

Two sample excerpts are provided from "*The Aidspan Guide to Building and Running an Effective CCM (Second Edition)*".

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**1. NEWS: Donor Governments Pledge Record Amounts to the Fund**

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Donors are expected to give the Global Fund at least \$9.7 billion over the next three years, 57% more than they gave over the past three years.

Twenty-six donor governments and one foundation, gathering at a Replenishment Meeting in Berlin, Germany that ended on Friday, promised that during the years 2008-10 they would give at least \$6.3 billion to the Fund. With the Fund projecting that other donors will give at least \$3.4 billion, this leads to a total of \$9.7 billion.

The G8 has declared that in the year 2010, the Fund will need to spend \$6 billion, or possibly as much as \$8 billion. (This compares with its likely expenditure this year of \$3.2 billion.) The Fund says that its total needs over the three years 2008-10 will be \$12-18 billion. Over the past few months, donor government studied the Fund's needs and effectiveness and deliberated over how much each would commit to for the three years 2008-10. They then came to Berlin last week to announce their decisions.

The Replenishment Meeting was chaired by Kofi Annan, former UN Secretary General, and opened by German Chancellor Angela Merkel.

The pledges constitute the largest single financing exercise for health that has ever taken place. The amounts pledged were as shown in the table below. Some highlights of the pledges were as follows:

- The three countries that pledged (or are projected to pledge) the most for 2008-10 were USA (\$2,172 m.), France (\$1,274 m.) and the UK (\$729 m.).
- The three countries that pledged the largest percentage of their Gross National Income (GNI) were Norway (0.087%), Ireland (0.076%) and Sweden (0.075%).
- The country that pledged the largest amount per capita was the Netherlands. (Of course, as one participant humorously pointed out, the Bill and Melinda Gates Foundation pledged considerably more per capita.)

- The three developed countries that pledged the smallest percentage of their GNI were Japan, Finland and Switzerland (0.004% each).
- The three countries whose pledges grew the most since from their pledges for the previous three years were Russia (increased 8.7 times), Saudi Arabia (3.6 times) and Spain (3.4 times).

### **Donor Pledges to the Global Fund**

	Pledged for 2005-7, US \$ million	Pledged for 2008-10, US \$ million	Multiple (2008-10 vs. 2005-7)	2008-10 pledge as % of GNI
Australia	43.0	118.9	2.8	0.018%
Belgium	32.8	76.4	2.3	0.020%
Canada *	331.5	375.0	1.1	0.036%
China	6.0	6.0	1.0	0.000%
Denmark	72.7	98.7	1.4	0.038%
European Commission	322.9	424.5	1.3	n/a
Finland	7.0	8.5	1.2	0.004%
France	880.1	1,273.6	1.4	0.058%
Germany	314.6	849.1	2.7	0.030%
India	4.0	7.0	1.8	0.001%
Indonesia *	0.0	15.0	n/a	n/a
Ireland	64.5	127.4	2.0	0.076%
Italy	485.2	551.9	1.1	0.032%
Japan *	416.2	183.8	0.4	0.004%
Korea (Republic of)	3.5	7.0	2.0	n/a
Luxembourg	8.1	10.6	1.3	0.035%
Netherlands	215.5	325.5	1.5	0.054%
Norway	116.9	240.5	2.1	0.087%
Portugal	6.5	8.0	1.2	0.005%
Russia	25.0	217.0	8.7	0.034%
Saudi Arabia	5.0	18.0	3.6	0.006%
Singapore	0.6	0.2	0.3	n/a
South Africa	6.1	0.1	0.0	0.000%
Spain	178.9	600.0	3.4	0.055%
Spain (Catalan region)	5.3	1.5	0.3	n/a
Sweden	191.9	279.5	1.5	0.075%
Switzerland	14.6	17.9	1.2	0.004%
Thailand	3.0	3.0	1.0	n/a
United Kingdom	490.0	728.6	1.5	0.032%
United States *	1,651.0	2,172.0	1.3	0.017%
Other Countries	14.1	0.0	0.0	n/a
Gates Foundation	200.0	300.0	1.5	n/a
UNITAID	52.5	0.0	0.0	n/a
Private sector, including (Product) Red, and UN Foundation and its donors *	46.0	420.0	9.2	n/a
Debt2Health *	0.0	283.0	n/a	n/a
<b>Total:</b>	<b>6,214.7</b>	<b>9,748.2</b>	<b>1.6</b>	

\* Regarding 2008-10: Projection by the Global Fund, rather than a commitment by this country.

[Note 1: The figures regarding 2008-10 are as stated verbally at the Replenishment Meeting. For definitive final numbers and explanatory comments, see the table that will be published on Monday at the Global Fund website, [www.theglobalfund.org](http://www.theglobalfund.org).]

[Note 2: See also [Analysis: New Donor Pledges Free Round 8 Applicants to Submit Bold Proposals](#), below.]

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## **2. FEATURE: China Changes Course on Using NGOs as Grant Implementers**

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Over the last few months, innovative plans by the China CCM to use an NGO as Principal Recipient for a Round 6 HIV/AIDS Global Fund grant, and to use small grass-roots NGOs for much of the implementation work, have been almost entirely reversed.

The changes have arisen because there are few if any NGOs in China with sufficient experience to serve as Principal Recipient (PR), and because officials in the China government and in large pro-government NGOs have little experience working with a growing network of independent-thinking grass-roots NGOs. The Round 6 proposal was acceptable in principle to most of them; but the reality of implementing it appears to have been more than some of them could handle.

In fact, in countries receiving Global Fund grants, it is relatively common for NGOs to be sidelined when it comes to true leadership in the design and implementation of programmes. "What is happening in China is only an egregious example of what happens in other places across the globe," commented Gregg Gonsalves, of the AIDS and Rights Alliance for Southern Africa.

The Round 6 initiative, had it taken place as planned, would have been the third impressive HIV/AIDS-related development in China over the past four years.

The first was when the government of China shifted its attitude on HIV/AIDS from almost complete denial to a willingness to openly recognize and confront the issues surrounding the epidemic.

The second was when the government accepted that grass-roots NGOs could elect someone to represent them on the CCM, alongside representatives of "GONGOs" (government-organized NGOs) and "mass organizations" – both of which can be technically referred to as "NGOs" but neither of which is likely to meaningfully oppose government positions. This was impressive: grass-roots NGOs are growing in number in China, but they find it almost impossible to become officially registered as NGOs, as a result of which they find themselves excluded from most activities involving partnership with government.

The third potential development – the one that has now been largely reversed – came when the government-dominated CCM submitted to the Global Fund a \$14-million Round 6 proposal entitled "Mobilizing Civil Society to Scale Up HIV/AIDS Control Efforts in China." The proposal stated, "As a project wholly owned by NGOs, it is planned to have roles of both Principal Recipient and Sub-Recipients taken up by NGOs." The proposal was developed by the CCM's large, diverse, and relatively independent AIDS Working Group (AWG), which has more than 80 members ranging from unregistered grass-roots NGOs to government officials.

All previous Global Fund grants to China had been largely government-led top-down affairs using as their Principal Recipient (PR) the "Chinese Centre for Disease Control and Prevention of the Government of the People's Republic of China" (China CDC). A number of CCM members felt that drawing upon the rapidly-developing NGO sector for the Round 6 proposal made good sense, and might improve the chances of the proposal being accepted.

At first, things went well. Despite the very tight schedule, the writing of the Round 6 HIV proposal was a consultative and participatory process. The AIDS Working Group came up with a plan to involve as many NGOs as possible (including both legally registered and unregistered NGOs, GONGOs and academic institutions) on condition that they "filled the gaps" in existing services, reached populations not reached by government programs, and otherwise supplemented existing efforts. The AWG invited

NGOs around the country to submit suggestions regarding their potential role in a Round 6 grant, and drew up criteria for choosing among these.

In the end, 84 submissions were received from NGOs, GONGOs and academic institutions, of which 53 were approved by an outside "Review Team" and grouped according to the populations targeted by the project proposals (e.g. MSM, IDU, PLWHA etc). The 16-member "Writing Team" then distilled key activities from the submissions received.

The writing team had less than a month to create a single proposal from all the approved NGO submissions, during which time the team sent several drafts for comment from the AWG and civil society groups. According to one member of the writing team, activities and provinces were chosen in a systematic way based on the scale of the epidemic in each proposed activity area and the gaps in existing government and NGO programming there.

As for the selection of the PR, this was done according to a public bidding process based on criteria developed by the AWG. Only a small number of organizations applied, and their applications were reviewed by a team established by the CCM. The China HIV/AIDS Association – an NGO that is closely linked to the government and is led by a former government official – was finally selected and approved by the CCM without a great deal of debate.

Developments thus far had gone relatively smoothly. But then there was a major roadblock – the selection of the Sub-Recipients (SRs). The Global Fund strongly suggests that any proposal identify the implementing bodies (in this case the SRs), but the Writing Team had neither the time nor the authority to do so. "It was apparent from the very first meeting that there would be fierce resistance if the team had tried to identify the SRs," said Odilon Couzin, the coordinator of the writing team, "because this would have amounted to 'deciding who gets the cash'."

To avoid this conflict, it was agreed the AWG would be involved in drafting the SR selection procedure and that the initial SRs would be chosen from the list of 53 groups whose submissions made up the "raw material" of the proposal. A list of criteria for SRs to meet was approved and included as an annex in the final proposal – these mainly concentrated on implementation capacity and the ability to support development of grass-roots NGOs as implementing partners.

However, once the proposal was approved by the Global Fund, it became clear that sub-recipient selection was going to be a tough and even contentious process. Radically different versions of the "SR Selection Process" were passed around, with NGOs challenging the PR's proposed process as an attempt to exclude the very civil society groups that the proposal was supposed to mobilize. They cited examples, such as a requirement that SRs must be legally registered tax-free bodies – an almost impossible feat in China for any organization without strong government ties. Eventually, a second compromise "SR selection procedure" that avoided some of the more contentious points was agreed upon, sent to the full China CCM for review, and approved.

Despite this, it soon emerged that the chosen PR, the China HIV/AIDS Association, was determined to install its own provincial branch associations as SRs in each of the 15 programme provinces. According to local NGOs, the Association dominated consultation meetings at which grass-roots NGOs were deemed not "suitable" to be SRs. This surprised many participants, as the original proposal clearly stated that "*Initial sub-recipients will be chosen from the pool of 56 [actually, 53] NGO submissions received and approved by the Review Team.*" Although almost none of the provincial HIV/AIDS associations were named in the original submissions, and although they are technically independent of the national HIV/AIDS Association, the national Association claimed that they were all implicitly part of its own submission to serve not just as PR but also as SR, and thus they were eligible to be chosen as SRs.

Then, at the height of these tensions, the Global Fund informed the CCM that the LFA had determined that the China HIV/AIDS Association had "significant weaknesses" which meant that it could not, in its current form, serve as PR. In a follow-up opinion, the Global Fund's portfolio manager for China recommended that the PR should be the China CDC – the very organization that had served as PR for all previous Global Fund grants to China, and that is categorized by the Global Fund as being a governmental entity. The CCM then agreed that the China CDC would act as PR during the first two years of the programme, with the China AIDS Association acting as the "main SR."

"It was an odd decision to make China CDC be the PR," said Jia Ping, who served until recently as the CCM member representing grass-roots NGOs. "This grant is supposed to be an NGO-led grant to fill gaps which China CDC had left in its government-led grants. And China CDC has no capacity to mobilize civil society. On the other hand, no other organization seems to be qualified."

Forging ahead with SR selection, the newly-assigned PR held numerous "consultation" meetings with various sectors, mostly government and GONGO. What became clear to the civil society participants who went to these meetings, however, was that they were being shut out of the process: "They have changed the SR criteria every time to make the China AIDS Association the only agent that can be the SR," wrote a staff member from one NGO. "Many of us NGOs feel frustrated that we are being fooled with. We spent so much time, efforts, meetings, and finally it's still their game." One by one, NGOs stopped bothering to go to these meetings, as they suspected they were invited merely to maintain the veneer of civil society participation.

Some NGOs report that during this process, they were privately pressured to withdraw their applications to serve as SRs. (None was willing to be named for this article, for fear that this might harm their ability to continue their work on HIV/AIDS.) Eventually, it became clear that grass-roots NGOs were only welcome to become "SSRs", sub-sub-recipients. In previous rounds, SSRs had received very small amounts of funding and found themselves at the mercy of the SRs.

"My fear is that independent NGOs will have little or no say in the final implementation," said Couzin, the writing team coordinator. "If this happens, Round 6 could become more of an NGO 'control' mechanism than the NGO 'mobilization' programme that we originally designed."

When the final SRs were selected by the PR, at least ten of the fifteen were local branches of the China AIDS Association, and two were GONGOs. None of the selected SRs were grass-roots or community-based NGOs or organizations representing people living with HIV/AIDS (PLWHA).

"The selection of SRs was supposed to be based on their financial and management capacity," said Jia Ping. "The provincial branches of the China HIV/AIDS Association that ended up being chosen mostly don't appear to meet the agreed criteria. The results were obviously pre-determined."

Added Dr. Wan Yanhai, the widely-known leader of Aizhixing, a Chinese grass-roots NGO, "These provincial branches, which are run by retired government people, are hungry for the Global Fund money. They have never received as much money as the Round 6 grant could bring. It will be difficult for them to share it."

This choice of SRs by the PR appears to be in direct conflict with strong statements in the proposal that "this proposal represents a fundamental shift towards the strong and meaningful participation of civil society" in the implementation process, and that "the project plans to mobilize NGOs, in particular MSM groups, PLWHA groups or networks, to be responsible for the bulk of implementation." It also conflicted with the observation of the Fund's Technical Review Panel (TRP), when recommending the proposal to the board, that the goal of this proposal was "empowering NGOs in a bottom-up process that will truly build their capacities", and that one of the strengths of the proposal was that sub-recipients would be "a cross section of Community Based organizations, Government-operated NGOs, international NGOs and faith based organizations."

This removal of community-based organizations and PLWHA groups from the list of SRs was not the only problem. At a heated July meeting of the AWG, participants complained that in the workplan that was about to be submitted by the PR to the Fund for approval, activities and budgets had been changed significantly from what was specified in the original proposal. In particular, many of the truly NGO-led activities had been reduced or eliminated. For instance, the indicator "Number of national ARV treatment sites with NGO-led counselling available" had been removed, and budgets assigned for NGO-led activities such as providing treatment counselling and peer education had been cut to 20-25% of their original values. Yet the budget line for staffing the "provincial project offices" – a line which didn't even exist in the original proposal – was over \$500,000 in Year 1.

The Global Fund Secretariat has not yet approved the workplan or signed a grant agreement for this grant. The Secretariat has the right to say, if it wishes, that too many changes have been made from

the original proposal, and the workplan must either be fixed or sent to the TRP for re-evaluation. "If the workplan is not changed to include meaningful sharing of power with grass-roots NGOs and international NGOs, I don't think the Fund should sign the grant agreement," said Wan Yanhai.

The decision will no doubt be complex and political, not least because the Fund's next board meeting will, by chance, be taking place in China in November. Asked for comment, a Fund spokesman said, "The Global Fund is currently working with the CCM and the PR to ensure that the civil society components of the proposal are fully reflected in the grant agreement and will be implemented".

The relationship in China between three distinct groups – an all-powerful government, NGOs that are close to the government, and grass-roots NGOs – has never been an easy one. The decision by the China government to be serious about fighting HIV/AIDS and to work closely with the Global Fund was a bold one. It meant, on the one hand, that the government would be forced to work with civil society, in ways that would inevitably lead at times to tensions, and on the other hand, that an externally-moderated framework was now available in which the various parties could get more used to dealing with each other.

But the experience with the Round 6 HIV/AIDS grant suggests that it will be hard for advocates to mobilize – or for the government to permit – a strong civil society response to HIV/AIDS in China. While some more open-minded government officials may agree in principle that there should be cooperation with free-thinking grass roots NGOs, this approach continues to be regarded as threatening by government and pro-government functionaries from the highest to the lowest. If the Round 6 grant is to proceed in China, compromises may need to be made by all the players, and civil society mobilization will most likely not proceed at the pace envisioned in the original proposal. The complicating factor that the Fund has to consider is that insofar as the money is permitted to go to the provincial HIV/AIDS Associations, the Global Fund money that was supposed to unleash the implementation capacity of grass-roots AIDS NGOs will instead partially unleash the capabilities of what one observer described as "government-sponsored 'minders' " of these same NGOs.

*[Note: China CDC, the China HIV/AIDS Association, and the China Ministry of Health were approached by GFO several days ago, but chose not to submit comments regarding the issues raised in this article.]*

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### **3. NEWS: Record Amount in New Grants Recommended for Approval in Round 7**

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Round 7 applicants to the Global Fund submitted fewer, but bigger and better, proposals than applicants in all previous rounds.

The Global Fund's Technical Review Panel (TRP) has reviewed the 150 eligible Round 7 proposals that were submitted to the Fund, and has recommended that the board approve 73 of them. The grants recommended for approval will cost a total of \$1,112 million over two years. This is a record amount: in the six previous rounds, the two-year value of approved grants ranged from \$571 million to \$968 million.

The percentage of proposals recommended for approval was also a record – 49%, up from an average of 38% over the previous rounds.

The average two-year cost of the proposals recommended for approval in Round 7 was \$15 million – again a record, up from an average of \$10.3 million over the previous rounds.

On the other hand, the number of eligible proposals submitted in Round 7, at 150, was the lowest ever.

The TRP's recommendations regarding Round 7 will be reviewed and voted on by the Board of the Global Fund at its next meeting on November 12-13. (In previous rounds, the board has always followed the TRP's advice regarding which proposals to approve.) GFO does not have information

regarding which particular proposals have been recommended for approval; the Fund will release that information once the board has made its decisions in November.

**Global Fund Proposals, Submitted and Approved, by Round**

Round	Eligible proposals submitted		Of which:				Average cost of approved proposals
	Number	Cost *	Rounds 1-6: Approved by Board		Round 7: Recommended by TRP for board approval		
			Number (and % of total)		Cost * (and % of total)		
Round 1	204	\$1,500 m.	58 (28%)		\$571 m. (38%)		\$10 m.
Round 2	229	\$2,137 m.	98 (43%)		\$860 m. (40%)		\$9 m.
Round 3	180	\$1,853 m.	71 (39%)		\$620 m. (33%)		\$9 m.
Round 4	173	\$2,512 m.	69 (40%)		\$968 m. (39%)		\$14 m.
Round 5	202	\$3,298 m.	63 (31%)		\$726 m. (22%)		\$12 m.
Round 6	196	\$2,519 m.	85 (43%)		\$847 m. (34%)		\$10 m.
Round 7	150	\$2,377 m.	73 (49%)		\$1,112 m. (47%)		\$15 m.

\* "Cost" means the upper ceiling for the budget for Years 1 to 2 (i.e. for Phase 1). Cost does not include proposals recommended for acceptance in Round 7 under the new "Rolling Continuation Channel" option.

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**4. NEWS: "Aidspan Guide to Building and Running an Effective CCM (Second Edition)" is Released**

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The second edition of "The Aidspan Guide to Building and Running an Effective CCM" has just been published. It is accessible at no charge at [www.aidspan.org/guides](http://www.aidspan.org/guides), where various other Aidspan Guides are also available. Versions of the guide in French and Spanish will be posted by the end of November 2007. This second edition contains considerably more information than the first edition, which was published in 2004.

The 90-page guide provides advice on all aspects of the structure and operations of the CCM, and borrows heavily from the experiences of individual CCMs. The guide will be of interest both to CCMs that are experiencing problems and to CCMs that are functioning fairly well but that would like to improve their performance.

The main sections in the Guide are as follows:

Chapter 1: Introduction and Background

- Ten Most Common Problems Faced by CCMs
- Overview of the Global Fund
- Global Fund Policies and Guidance on CCMs

Chapter 2: The Place of the CCM in Country and Global Fund Contexts

- The CCM-Global Fund Relationship
- The Politics of CCMs

Chapter 3: General Governance Issues

- Mandate Statement
- Statement of Roles and Responsibilities
- Core Principles
- Terms of Reference



Chapter 4: Structure of the CCM

- Size
- Committees
- Secretariat

Chapter 5: CCM Membership

- Representation from Different Sectors
- Representation from People Living with the Diseases
- Representation from Vulnerable Groups
- Representation from Women
- Responsibilities of Members
- Selection Process
- Categories of Membership: Voting, Non-Voting, Observer
- Failing To Turn Up for Meetings

Chapter 6: CCM Operations

- Importance of Transparency
- Decision-Making Process
- Full Participation of Members in the Deliberations and Work of the CCM
- CCM Meetings
- Covering CCM Expenses
- Conflict of Interest

Chapter 7: Proposal Development

- Designing and Implementing a Proposal Development Process
- The Submissions Process
- Selection of PR(s) and SR(s)

Chapter 8: Project Implementation

- Oversight Role of the CCM
- How Should CCMs Monitor Progress in Project implementation?
- How Should CCMs Work with PRs to Identify Issues and Develop Solutions?

Chapter 9: Phase 2 Renewal

Chapter 10: Information Sharing and Constituency Communications

Chapter 11: Technical Support and Capacity Building for the CCM

Chapter 12: Evaluating CCM Performance and Problem-Solving Within the CCM

The guide also contains a sample "CCM terms of reference" (TOR) document that CCMs can adapt to suit their particular circumstances.

*[Note: For two excerpts from the Guide, see [article 11](#), below.]*

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**5. ANALYSIS: New Donor Pledges Free Round 8 Applicants to Submit Bold Proposals**

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The pledges made to the Fund for 2008-10 at last week's Replenishment Meeting in Berlin, as reported [above](#), were impressively large. Global Fund staff said that over the last few weeks, their private estimates of how much would be pledged steadily climbed from \$7 billion to \$8 billion to \$9 billion. The final number was nearly \$10 billion.

The total of \$9.7 billion that the Fund published was made up of two parts; \$6.3 billion from countries that made commitments, and \$3.4 billion estimated by the Fund as likely to come from countries that

did not make commitments in Berlin. (Countries like the USA and Japan have legislative procedures that make it impossible for them to make financial commitments for future years.)

Both numbers are somewhat conservative. If a country pledges a certain amount, it does not rule out deciding to give more if the need is proven. The most likely time for this is when the donor countries meet in early 2009 for a "mid-term review". Thus, if the three-year demand does indeed appear at that time to be \$12 b. or \$15 b. or even \$18 b., there's a decent chance that the donors will provide it.

Two years ago, at the Fund's first Replenishment Meeting, donors pledged to give at least \$3.7 billion in 2006-7. The amount that they ended up actually giving during those two years was \$4.7 billion, 27% more than the original pledges. (However, one factor that came into play is that the Euro is worth 16% more in terms of dollars than it was two years ago.) If we extrapolate from this, we can expect that the amount actually given over the years 2008-10 might be \$12 billion.

But even with no new pledges at all for 2008-10, the \$9.7 billion that the Fund currently and conservatively expects to receive will be enough money to enable the Fund to continue operations at least at its current level for at least another three years.

This is very significant. In past years, many applicants to the Fund worried that if they collectively submitted ambitious proposals, the Fund might not have enough money to pay for them. (Although in fact, no proposal that the TRP has recommended for approval has ever gone unfunded.) But now, potential applicants for Round 8 grants can confidently assume that even if Round 8 costs, say, \$1.5 billion (50% more than the largest-ever previous Round), the Fund should be able to afford it.

Indeed, if Round 8 is not significantly larger than the \$1.1-billion Round 7, and the Fund does not receive many of the new "National Strategy Applications", the donors will have no reason to meet for a mid-term review in early 2009 and potentially increase their pledges.

If we regard the term "the need" as meaning how much money should be spent on tackling the three pandemics if all people are to receive the services they deserve, and the term "the demand" as meaning the cost of actual projects that implementing countries choose to put together to meet that need, it's fair to say that although the Fund has certainly not raised enough money to meet the "need", it has raised enough money to meet the "demand", unless countries scale up the quality and size of their proposals. This means that a major emphasis by the Fund and its allies over the next few years must be raising "the demand" so that it starts to approach "the need".

No country need now worry that if they work hard on writing a high-quality Round 8 proposal that the TRP likes, the proposal will go unfunded. But the time to start that work is now, not on March 1, when the formal call for proposals is issued. And indeed, many countries are already hard at work designing their Round 8 proposals.

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**6. EDITOR'S NOTE: Aidspace, Publisher of GFO, Moves From New York to Nairobi**

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Aidspace, the NGO that publishes *Global Fund Observer*, has moved its primary base of operations from New York City, USA, to Nairobi, Kenya. (Publication of GFO was suspended during the transition, but resumes with this issue.)

When Aidspace was founded nearly five years ago, it pioneered the concept of an NGO that serves simultaneously as a watchdog over a major source of AIDS funding – the Global Fund – and as an independent and neutral provider of information to countries that wish to be financed by that source. (Aidspace is financed by unrestricted grants, primarily from foundations. It accepts no support from the Global Fund, and does no consulting, proposal-writing, or paid provision of technical assistance.)

In the past, Aidspace has had only one full-time employee (Bernard Rivers, who serves as Aidspace's Executive Director and also as GFO's Editor) together with two to three part-time subcontractors.

"Our mandate is unchanged, and continues to be global," said Bernard Rivers. "But our funding has improved, and it makes much more sense for our planned growth to take place on the battlefield rather than in a Western country."

Kenya-based readers of GFO who would like to be informed of future employment possibilities are invited to introduce themselves by email to Aidsplan's new Programme Coordinator, Angela Kageni ([kageni@aidspan.org](mailto:kageni@aidspan.org)).

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**7. NEWS: "Debt2Health" Initiative Launched by Global Fund**

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The Global Fund has launched a new "Debt2Health" initiative that could result in substantial finances being received by the Fund. The initiative is a form of "debt conversion", in which Western governments that are owed money by developing countries agree to cancel a portion of the debt on condition that the developing countries in question invest specified lesser amounts of money in Global Fund-approved programmes.

In the first Debt2Health implementation, the German government forgave 50 million Euros in debt by Indonesia, and Indonesia committed to investing the local equivalent of 25 million Euros in Global Fund programmes in Indonesia. Over the next four years, Germany plans to generate a total of 200 million Euros for Global Fund programmes through this initiative. The Global Fund hopes to enter into future Debt2Health agreements with Kenya, Pakistan and Peru. Further details are available at [www.theglobalfund.org/en/files/publications/debt2health/D2HMechanisms.pdf](http://www.theglobalfund.org/en/files/publications/debt2health/D2HMechanisms.pdf).

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**8. NEWS: Global Fund Lifts Suspensions of Grants to Chad**

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The Global Fund last month lifted its temporary suspension of two grants to Chad. The HIV/AIDS and TB grants, worth more than \$20 million over five years, were suspended in November 2006 over concerns regarding the misuse of funds and regarding the ability of the Principal Recipient and Sub-Recipients to effectively manage the Global Fund's resources.

The Fund says that its decision to lift the suspensions was made after "efforts and a strong commitment" from the government, development partners, the CCM and the Principal Recipient which "guaranteed that better systems were in place with new clarified responsibilities." The Fund added that the money that had been misused before the suspensions is now "in the process of being recovered."

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**9. NEWS: New Technical Support Publication by the GTZ BACKUP Initiative**

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The GTZ BACKUP Initiative has published a guide on where technical support for capacity development of Global Fund recipients is most needed, who is able to provide it, and how to make best use of it.

The guide, entitled "*Accelerating action: A technical support guide to develop capacity and to benefit from global health financing*," is intended for use by professionals working on HIV, TB and malaria projects that are financed by the Global Fund, World Bank, and other such mechanisms. The publication is available at [www.gtz.de/backup-initiative](http://www.gtz.de/backup-initiative).

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**10. NEWS: "Observatorio Latino" Provides Information in Spanish Regarding Global Fund Activities in Latin America**

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Since late last year, a new publication, "Observatorio Latino", has provided web-based and email-based information in Spanish. According to *Aid for AIDS International*, the New York-based NGO that publishes it, *Observatorio Latino* has representatives in sixteen Latin American and Caribbean countries, and publishes information on how Global Fund money is made use of by its recipients.

The objectives of *Observatorio Latino* include monitoring PRs and Sub-Recipients and holding them accountable, identifying technical support needs for civil society organizations, sharing experiences and lessons learned, and informing the Global Fund when there are bottlenecks in grant implementation.

In order to ensure its independence, *Observatorio Latino* does not receive financial support from the Global Fund.

For further information, see [www.ObservatorioLatino.org](http://www.ObservatorioLatino.org), or contact Enrique Chavez, Advocacy Director, Aid for AIDS International, [enrique.chavez@aidforaids.org](mailto:enrique.chavez@aidforaids.org).

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**11. EXCERPTS: Two Excerpts from "The Aidsplan Guide to Building and Running an Effective CCM (Second Edition)"**

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Following are two sample excerpts from "*The Aidsplan Guide to Building and Running an Effective CCM (Second Edition)*", whose publication is announced in [article 4](#) above.

Excerpt 1: Full Participation of Members in the Deliberations and Work of the CCM

Having an equal vote may not, in itself, ensure full participation. CCM members have to feel confident about speaking out and about expressing a different view to those of other CCM members. This is not always the case, particularly among the members of the CCM who are not from the government or development partners sectors.

The fact is that on many CCMs, even where representation from NGOs, FBOs, academia and the private sector is strong in terms of numbers, the representatives of the government or development partners sectors often dominate the CCM. Why does this happen? It may be because governments in these countries are used to making decisions without consulting other sectors. It may be because development partners are not used to working with civil society or the private sector. It may be because some of the representatives of the NGO, FBO, and academic sectors are not used to operating in an environment like the CCM. It may be because some of the NGOs and FBOs receive funding from the MOH and are therefore reluctant to say anything critical about the Ministry.

Whatever the reasons, the CCM as a whole should make a special effort to ensure that all CCM members are participating in discussions. This may involve exploring issues of stigma and discrimination and other impediments to participation, particularly with respect to representatives of people living with the diseases and marginalised populations. It would be helpful if government members of the CCM took the lead on this. For some CCMs, it might be useful if the CCM formally evaluated the level and scope of participation of non-government members. Such evaluations could determine what the barriers are to full participation and suggest ways in which these barriers could be overcome.

The principle of full participation requires that all CCM members be involved in all of the major activities of the CCM, including the development of proposals submitted to the Global Fund. As well, the chair should ensure that all CCM members are consulted concerning the scheduling of meetings and the development of meeting agendas.

An example: In one particular CCM, the arrival of a new chair changed the way things were done. The new chair instituted regular meetings of the CCM, encouraged open and frank dialogue and ensured that decisions were made by consensus. Tensions between CCM members were managed by making sure that all parties could give their views openly during meetings. As a result, all CCM members now participate openly, meetings are well attended and there is a sense of ownership of the programmes.

#### Excerpt 2: The Submissions Process

Many CCMs assume that the need for an in-country submissions process [that is, where organizations around the country are invited to submit to the CCM their suggestions for what should be included in the CCM's proposal to the Global Fund] requires an open call for submissions. CCMs struggle with this requirement because there is no little guidance on how the call should be organised, what kinds of eligibility criteria should apply (if any), and what framework should be provided to applicants. The process can be quite onerous. Below, we talk about approaches that can be used for an open call for submissions, but we also explore alternatives to an open call.

One possible approach is for the CCM to issue an open call for submissions without establishing any criteria or issuing any guidance. This is what many CCMs have done. The advantages of this approach are that it allows all interested stakeholders to submit their ideas; and it allows them to make suggestions concerning both what thematic areas should be covered in the proposal and what specific services and activities should be included.

The disadvantages of this approach are that the CCM may receive a large number of submissions, which may make the process very unwieldy; that it may be difficult for the CCM to assemble all the pieces into a coherent whole; and that if only parts of some submissions are eventually incorporated into the proposal, many organisations will have wasted a lot of time and energy and may become disillusioned with the whole process.

Another possible approach is to establish a framework and some criteria prior to issuing the call for submissions. For example, for a Round 6 HIV/AIDS proposal, the CCM in Morocco followed the following process:

1. The CCM developed the broad outline of the proposal – including objectives, service delivery areas and indicators.
2. The CCM made sure that the outline of the proposal was aligned with the national strategic plan for HIV/AIDS (which had been developed through broad consultations).
3. The CCM put out a call for submissions based on the outline it developed. In their proposals, applicants essentially had to explain how their activities would contribute to the achievement of the overall project.
4. When it issued the call, the CCM established eligibility criteria covering strategic and programmatic issues, geographic priorities and capacity or experience thresholds for applicants (for example, number of years of experience and levels of donor funds previously managed).

The use of Global Fund service delivery areas and indicators ensured that it would not be difficult for the CCM to collate accepted submissions into the country coordinated proposal.

While stakeholders were preparing their submissions, the CCM was able to work on elements of the country coordinated proposal (e.g., CCM structure, programmatic and financial gap analysis) that were not dependent on the implementation details.

A variation on the Moroccan approach would be for the CCM to hold broad consultations in each sector; to develop the broad outlines of a country coordinated proposal; and to then issue a call for submissions. This approach might be particularly appropriate if the country's national strategy for the disease (or diseases) in question has not been developed through broad consultations.

But is it necessary to issue an open call for submissions? The Zanzibar CCM followed a process for its Round 6 proposal that did not involve a call for submissions. The process was as follows:

1. The CCM identified potential implementing partners and sources of technical support.
2. The implementation partners participated in a five-day "design forum" where, supported by resource persons, they reviewed the CCM's Round 5 proposal and identified the goals, objectives, strategies and indicators for the Round 6 proposal.
3. A proposal development group was established to coordinate the planning and writing of the proposal. This 15-member group included representatives from some of the implementing partners and some technical support persons.
4. During the planning and writing of the proposal – a process that took five weeks – consultative meetings were held with implementing partners and development partners.
5. A draft proposal was reviewed by the implementing partners.

So, while the principle behind the requirement for an open call – to ensure that all sectors can contribute to the development of the proposal – is obviously important, perhaps this principle can be achieved in other ways. The Zanzibar example suggests that the Global Fund is prepared to accept that there are alternatives to an open call.

One of the challenges faced by CCMs is to come up with a process which allows both large and small organisations to participate in a way that does not make the process unwieldy.

Whatever process the CCM adopts, remember that it must be documented and disseminated to interested stakeholders. The description of the process should include the criteria that the CCM will use to review the in-country submissions. If the CCM issues a call for submissions, the review criteria should be included in the call.

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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 over 10,000 subscribers in 170 countries at least twelve times per year.

GFO is a free service of Aidspace ([www.aidspace.org](http://www.aidspace.org)), based in New York, USA. Aidspace is a nonprofit organization that serves as an independent watchdog of the Global Fund, promoting increased support for, and effectiveness of, the Fund.

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GFO is currently provided in English only. It is hoped later to provide it in additional languages.

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