

Global Fund grant renewal and re-programming: What are the experiences of civil society organizations and programs that focus on key populations?

Global Report: Results from a study in 9 countries

December 2012

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Executive Summary

During 2012, ICASO conducted a study of nine Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund) grants, all of which have recently undergone Phase 2 grant renewal or Rolling Continuation Channel grant re-programming. (These processes are described in Section C below.) All of the grants selected for the study that were being implemented in the nine countries (Armenia, Belarus, Belize, Ethiopia, Haiti, Indonesia, Madagascar, Nicaragua, and Zimbabwe) were HIV grants. The study aimed to establish how recent changes at the Global Fund, influenced by the funding crisis and the Global Fund Secretariat's need to make significant cuts to the fiscal value of renewed grants, had affected the process for renewing and reprogramming grants, particularly in relation to civil society-led programs and those focused on key populations. The findings are particularly relevant as a lens for reviewing the successes and challenges relating to grant renewal processes, since 'iterative' processes similar to those used in grant renewals are an integral part of the New Funding Model of the Global Fund, which was approved at the November 2012 Global Fund Board Meeting.

Overall the findings showed:

- From the perspective of study participants¹, three out of nine study grant renewal processes were largely successful in following the stipulated renewal process. The three countries are: Belize, Indonesia and Nicaragua.
- Study participants from the remaining six countries noted significant problems with the renewal process concerning civil society participation or negotiating power, for example overall in Ethiopia, Haiti and Zimbabwe, and more specific problems in Armenia, Belarus and Madagascar.

Successful and positive aspects of recent grant renewal processes included:

- Timely invitations and submission of Requests for Continued Funding (RCF).
- Programming recommendations from the Global Fund Secretariat that emphasized targeted work with key populations² for concentrated epidemics provided an opportunity to increase or maintain targets for these groups and programming for key populations.
- Evidence of effective processes for civil society organization engagement in grant renewals.
- Evidence of successful negotiation by civil society organizations (CSOs) concerning program design and resource allocation.
- Evidence of the use of a country 'Working Group' to facilitate wider input during the renewal processes that require material change to the original project design.

Less successful and challenging aspects of recent grant renewal processes included:

- Cuts were made to RCFs by the Global Fund Secretariat with varying levels of explanation, and in some cases with strong programming direction and increased targets without evidence-based clear explanations or other justifications.
- Examples of renewal processes that did not effectively engage civil society organizations (including grant SRs who were Country Coordination Mechanism (CCM) members, as well as SRs that were not members).
- Evidence of civil society organizations having limited negotiation power resulting in little influence over decision-making.
- Although RCFs are submitted before grants come to an end, the length of time between the end of one phase and the start of a new phase has had a debilitating effect on programs.

¹ Mainly civil society organizations acting as sub recipients (SRs) for Global Fund grants.

² In particular Men who have Sex with Men (MSM), sex workers (SW), People who Use Drugs (PUD), and transgender people.

- The focus on key populations has increased for some countries with concentrated epidemics as a result of the renewal process (often due to recommendations from the Global Fund Secretariat), with targets remaining the same or having increased. Yet budgets have decreased, resulting in programs that are more ambitious, but lack the resources and depth to achieve the desired results.
- The focus on key populations for countries with a concentrated epidemic resulted in drastic cuts to programs outside this remit with seemingly little regard to the gender equality aims of the Global Fund.
- One Principle Recipient (PR) complained that they received no support from technical partners in the country or through the Country Coordination Mechanism during the negotiation phase or in their efforts to fulfill Global Fund Secretariat conditions. Effective support from partners is essential to ensuring that country actors effectively own and manage their responses.

Recommendations and opportunities revealed by the study

- **Recommendation to Global Fund Secretariat and national level decision makers:** Iterative processes require the engagement of those in the best position to question assumptions and inform decisions. In the case of the grant renewal processes, SRs on CCMs sometimes had limited opportunity to negotiate and provide input into proposals which included material changes and cuts. Indeed in many cases non-CCM SRs and Sub-Sub-Recipients (SSRs) were often not engaged until the last minute, if at all, even though the cuts often directly affected their programs the most. Whether engaged through country Working Groups, CCMs or PR led-meetings, all partners should be subject to equal levels of budgeting transparency, and attention should be paid to ensure that all relevant parties are able to attend meetings with due consideration of the resources organizations have available.
- **Recommendation to the Global Fund Secretariat:** Review the number of grant renewal processes that have resulted in protracted negotiations which led to program interruptions and demobilization of front line workers. Establish corrective measures to be put in place to avoid similar situations in the future.
- **Recommendation to the Global Fund Secretariat:** The provision of process guidance from the Global Fund Secretariat for future iterative processes will be key to ensure the effective engagement of CSOs and the most strategic allocation of resources. Guidance could include the appropriate amount of time to invest in each process step, levels of transparency required of all partners, and improved processes for engaging non-CCM CSOs and, in particular, CSOs representing key or marginalized populations. The inclusion of CSO engagement guidance for grant renewal processes subject to cuts will be necessary, as CSOs are often disproportionately affected. This requires the acceptance of existing CSO-SRs as key stakeholders in strategic level discussions even if they are subsequently subjected to a Call for Proposals and may not necessarily be SRs in the next phase. The Secretariat should identify further lessons learned from Phase 2 and RCC renewal processes when it designs and rolls out the iterative process for new grant applications under the New Funding Model.
- **Recommendation to Principal Recipients:** Engagement of SRs and SSRs beyond a 'briefing meeting' is essential, particularly where budget cuts are necessary or programs with key populations are concerned. This will help ensure that decisions are based on a proper appraisal of the potential consequences of cuts on communities, will help protect the most needed services, and will ensure that resources are allocated where they are most needed. Such engagement will also guarantee that civil society is able to engage with the overall strategic decision-making as well as focus resources where they are most needed for front line services. An extension of renewals of Working Groups for countries facing budget cuts, in addition to those with a material change in grant content or scope, would be beneficial.
- **Recommendation to Country Coordinating Mechanisms:** Be cognizant during grant renewal processes of the power balance between PRs or different representatives within the CCM particularly

where budget cuts are being imposed by the Global Fund Secretariat. The opportunity for increased national level commitment should be considered during each iteration of the grant renewal process.

- **Recommendation to civil society organizations:** Ensure that SRs and SSRs have adequate capacity to engage in grant renewal processes, e.g. that staff are made available and are well briefed. It is vital that civil society organizations consider the overall strategy of grant applications as well as the specific needs of community based programs, and clearly demonstrate their ability to engage with the processes.
- **Recommendation to technical partners:** Community-based organizations (CBOs) often have limited capacity to engage in grant negotiation and renewal processes with PRs, CCMs and the Global Fund Secretariat. Technical partners should invest considerably more resources in strengthening and mentoring community sector organizations and leaders so that they can participate effectively in such processes. This will become increasingly important in the context of the Global Fund's New Funding Model, and in the context of the need for increased financial contributions from governments to their national AIDS, TB and malaria responses.

A. Study rationale and methods

ICASO designed and conducted this survey as part of its Civil Society Action Team's (CSAT) "watchdog" work to assess the impact of policies of the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund) on civil society organizations and key population focused programs.

ICASO and the Civil Society Action Team (CSAT)

Since its creation in 1991, ICASO has facilitated the inclusion and leadership of communities in the effort to bring about an end to the AIDS pandemic, recognizing the importance of promoting health and human rights as part of this undertaking. ICASO's approach is based on our theory of change, which is made up of four core components: **policy analysis and strategic information-gathering**, with a particular focus on community-based research; **building the capacity of community leaders** to act as strong advocates and as stewards of community-based structures for HIV mobilization and engagement; **advocacy for accountability**, for evidence-based and human rights-based approaches, and for the strategic use of HIV resources for maximum impact; and **developing networks** to support an HIV movement that contributes more broadly to health, human rights and gender equality.

ICASO is the Global Host for the Civil Society Action Team (CSAT), a civil society-led global initiative that coordinates, brokers, provides and advocates for technical support to civil society organizations implementing or seeking grants from the Global Fund to Fight AIDS, Tuberculosis and Malaria. With hubs in six regions and sub-regions of the world (Middle East and North Africa, Eastern Africa, Southern Africa, Eastern Europe and Central Asia, The Caribbean, and Asia and the Pacific), CSAT has a five-year mandate (2008 – 2012) to:

- Identify civil society technical support needs related to Global Fund proposals and projects.
- Link technical support providers with civil society organizations that need support.
- Identify possible funding sources for technical support to civil society organizations.
- Advocate for an expanded range of technical support services with providers.
- Facilitate civil society input into Global Fund and related UN system coordinating mechanisms.
- Promote the inclusion of marginalized groups in all aspects of Global Fund grants.

The study was conducted in nine countries (Armenia, Belarus, Belize, Ethiopia, Haiti, Indonesia, Madagascar, Nicaragua, and Zimbabwe) that have recently undergone or are currently undergoing the process of renewing existing grants. It aimed to answer the following question:

"How have recent changes at the Global Fund affected the process for renewing and re-programming grants, particularly in relation to civil society led programs and those focused on key populations?"

As a "watchdog" activity, the study was designed to help identify whether and how civil society and key population programs are marginalized in country-level negotiations. This study is relevant not only because the Global Fund has a considerable portfolio of active grants that will be undergoing renewals in the coming years, but also because it is currently introducing a New Funding Model that will include, among other things, an "iterative process" for the development of country funding applications. This iterative process will involve an ongoing dialogue between the Global Fund's Fund Portfolio Managers (FPMs) and the applicant countries through Country Coordinating Mechanisms (CCMs) and candidate Principal Recipients (PRs). This process will have some similarities to the way in which the Global Fund has historically negotiated renewals and extensions of existing grants. By providing a better understanding of how negotiations have taken place in the context of renewals and extensions, this study is intended to help identify some of the advantages of the process, as well as some of the potential pitfalls

to be avoided. Only HIV grants were selected for this study. Dynamics for tuberculosis, malaria and health systems strengthening grants may differ considerably.

Methods

1. **Data collection:** The study is based on a review of key documents related to Global Fund grant renewals and a short telephone survey with key informants in nine countries conducted by ICASO and its partners through the CSAT initiative. Informants were selected based on their recent participation in a grant renewal or re-programming process, with particular emphasis being paid to informants from civil society and key informant groups, and to grants that are relevant to these groups. Interviews lasted between 30 minutes to an hour. Participation was anonymous and confidential.
2. **Analysis:** Data analysis was conducted by ICASO and its partners. Interviews not conducted in English were transcribed and translated into English. The findings of the interviews were analyzed alongside documents which explain the Global Fund’s policy on grant renewals and which provide basic information on the grant in question. All of these documents are available on the Global Fund website.
3. **Report:** This report was compiled by an external consultant, Nicky Davies, Davies & Lee Consulting, based on the transcript of interviews, renewal submissions, and a summary of preliminary findings.

“It is hoped that the study will help inform practice of the Global Fund and of country level actors in conducting the iterative process for developing grant applications under the New Funding Model.”- ICASO

Limitations

While it is of particular interest to assess how the Global Fund Secretariat is applying new procedures introduced at the end of 2011, most of the negotiations for recently approved renewals were initiated in 2011, so the extent to which the Global Fund has applied old or new procedures (or whether different procedures were applied over the course of the process) is not always clear. In addition, some respondents were not aware of the final outcomes of the process (in particular since the process had not been completed in all of the countries interviewed). It became clear that Sub Recipients (SRs) and Sub-Sub-Recipients (SSRs) are rarely fully aware of the process and are not always able to comment on questions relating to the extent to which the Global Fund required cuts or dictated program focus. In addition the study was based on the experiences of a limited number of participants in each country – in some countries, only one respondent agreed to participate, making it impossible to triangulate answers with other points of view. Finally, a more comprehensive study would triangulate survey findings with a comparison of Country Coordinating Mechanism (CCM) renewal requests and final approved proposals. However, this will require access to documents that are not publicly available and will also require considerably more time for analytical work.

B. Brief description of the grants renewals policy of the Global Fund³

The Global Fund approves funding for new grants in principle for five years. Initial funding is committed for the first two years only (Phase 1). Phase 2 is the extension of Phase 1 and covers the remaining

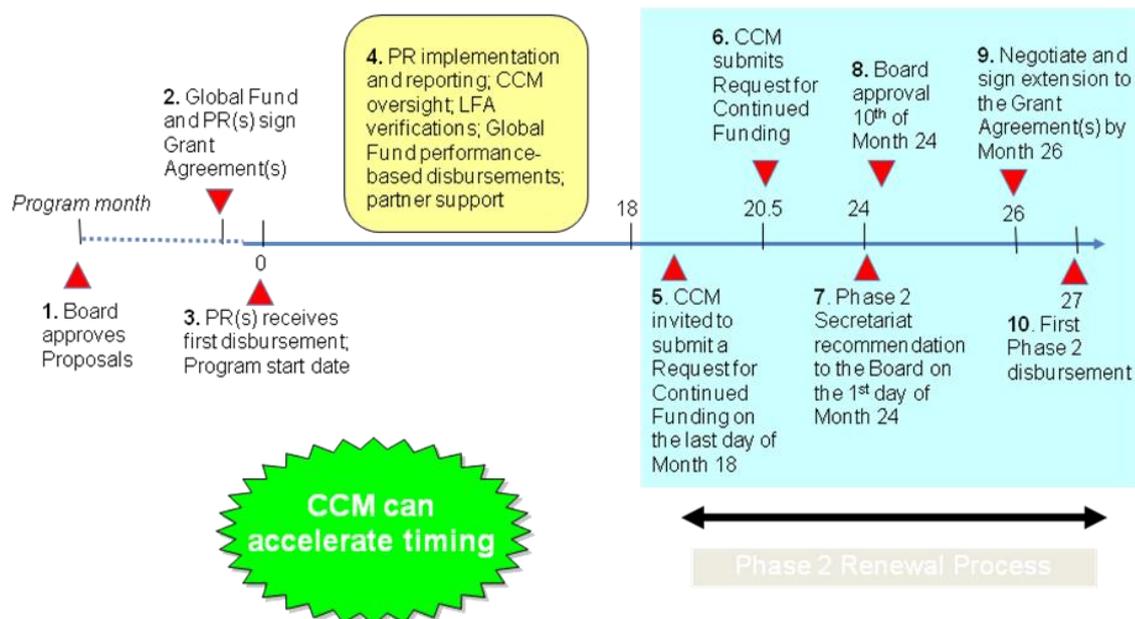
³This summary has been written based on information available in November 2012 within the ‘Phase 2 General Information Presentation’ PowerPoint Presentation, July 2008, Global Fund Secretariat (search for ‘phase 2 grant review global fund’ to download the PPT), and ‘Phase 2 Decision-Making Policies and Procedures’, 2012, Global Fund Secretariat which can be downloaded from <http://www.theglobalfund.org/en/board/meetings/fourteenth/documents/>

proposal period (typically years 3-5). Rolling Continuation Channel (RCC) grants are extensions to grants which have completed five years of implementation (i.e. Phase 1 and Phase 2). Both Phase 2 and RCC grant applications involve an iterative re-programming and negotiation process with the Global Fund before they are approved. Funding beyond Phase 1 (i.e. Phase 2) is based on performance during Phase 1, contextual considerations, and availability of resources. The program start date for Phase 1 is when the PR receives the first disbursement. The CCM can accelerate timing at any point after this. However, typically after 18 months, the CCM is invited to submit a Request for Continued Funding (RCF). The CCM is expected to submit a RCF by the middle of Month 20 of Phase 1. The Secretariat is expected to submit a Phase 2 recommendation to the Board on the first day of month 24.

The Board should provide approval by 10 days thereafter. Negotiation and signing of the extension to the Grant Agreement(s) is expected by month 26, with the first Phase 2 disbursement by month 27 (at the end of the third month of year 3 of the agreement).

In order for programs to continue to be implemented without interruption while the Board makes its decision and the Grant Agreement is negotiated, the Global Fund Secretariat can extend the term of Phase 1 Grant Agreements by up to three months without extending the overall proposal term. Additional funding for grants is provided, if necessary, for an amount specified for the first three months of the third year of Program within the RCF proposal. This is not additional funding but forms part of the amount available for Phase 2 for each grant. The Global Fund states that in exceptional circumstances, it may need to take more than 3 months to provide a Phase 2 recommendation to the Board. In such situations, the Global Fund Secretariat may extend the term of Phase 1 grant agreements by up to three months in addition to any three month extension provided above, although no additional funding may be committed for these extra months. Diagram 1 below shows the timeline for the Phase 2 renewal process.

Diagram 1: Timeline for the Phase 2 renewal process



Source: 'General Information Presentation on Phase 2' PowerPoint Presentation, July 2008, Global Fund Secretariat

The CCM plays a key role throughout the RCF process. The CCM does not automatically include Sub Recipients or Sub Sub-Recipients from existing Global Fund grants. However, a Working Group or other consultation mechanism can be established to support the development of the renewal request by the CCM. In practice, it seems this is most likely to be established where a material change is made to the

proposal – i.e. a request which requires the redesign of aspects of the program. The Global Fund grant renewal procedures do not specify what processes are requested in the event of a renewal with material change. The procedures also do not specify the consultation process required when the Global Fund Secretariat recommends or requires a cut in the proposal budget. It is therefore implied that reprogramming and budget reallocation is the responsibility of the CCM, which does not necessarily include existing PRs, SRs or SSRs as members.

The Rolling Continuation Channel (RCC) is a mechanism to provide additional funding at the end of Phase 2 for high-performing grants for a period of up to six years. Applications are on an invitation-only basis. This invitation is extended to the CCM by the Global Fund Secretariat based on an assessment of the following factors: strong performance, evidence of potential for impact, sustainability, and in exceptional cases, severe and unexpected changes in circumstances have had a material negative impact on program implementation. The Technical Review Panel (TRP) determines whether a proposal’s scope demonstrates a material difference, compared to the scope of the grant it seeks to continue. Proposals that the TRP deems materially different from the original are not funded through the RCC and must be submitted through new grant funding mechanisms.

The RCC process is similar to the phase 2 grant renewal process. The Global Fund Secretariat conducts a review of all grants before the end of their Phase 2 period to determine whether they qualify to apply for continuation of funding through the Rolling Continuation Channel. The CCMs that qualify are invited to submit a proposal through this channel. The CCMs submit RCC proposals based on continued programmatic needs and financing gaps. The proposals should also include information on impact, sustainability and alignment with national strategies and plans. The Global Fund Secretariat reviews the proposals to ensure they meet eligibility criteria, and then submits all eligible proposals to the TRP for consideration. The TRP reviews all eligible proposals for technical merit, grades them in four categories and then submits its recommendations to the Global Fund Board for approval. *The Global Fund is no longer inviting CCMs to submit new RCC applications.*

C. Description of survey results

Twenty-one individuals participated in the study from 20 organizations in 9 countries (further information is available from ICASO). For six countries, representatives from two or three organizations were interviewed for each country. In the case of Belize, Haiti and Zimbabwe representative(s) from only one organization participated in the study. Of the 20 organizations that took part in the study, one represented a multilateral agency, one a national government body, one an International NGO, six national NGOs, and 11 key population CBOs (these CBOs included those representing and serving men who have sex with men, transgender people, sex workers, and people living with HIV). In total, one Principal Recipient, 13 Sub-Recipients (eight CCM members and five non-CCM members) and one Sub-Sub-Recipient were interviewed.

For the nine study countries, the grants renewal requests were as follows:

Country	Grant	Month study interviews conducted
1. Armenia	Round 2 RCC second phase	October 2012
2. Belarus	Round 8 Phase 2	April 2012
3. Belize	Round 9 Phase 2	October 2012
4. Ethiopia	Round 2 RCC renewal	April /May 2012
5. Haiti	Round 1 RCC renewal	April 2012
6. Indonesia	HIV Round 9 Phase 2	June 2012
7. Madagascar	Round 8 HIV Phase 2	April 2012

8. Nicaragua	Round 8 Grant-Phase II, HIV Component	April 2012
9. Zimbabwe	Round 8 Phase 2	June 2012

D. Key survey findings

A number of actors expressed concerns about the impact that the financial crisis and the changes in procedures at the Global Fund Secretariat are having on grant re-programming and renewal processes. The findings show that the study participants (the majority of whom were civil society SRs) were not close enough to the negotiation process to know exactly what process was followed or what changes from the Global Fund were being applied. More general learning from the study provides useful insights into the iterative processes as implemented at national level.



Some study participants were concerned that the gender equality was not taken into consideration as decisions concerning cuts were made.

From the perspective of study participants three out of nine study grant renewal processes were largely successful in following the stipulated renewal process. The three countries were Belize, Indonesia and Nicaragua. In **Belize**, although the process was largely satisfactory for the representative interviewed, he stated that because of time constraints, CSOs could not be engaged more widely in meaningful ways. He was also not sure if the proposal overall would lead to an increased or decreased civil society involvement in program implementation. In **Indonesia** the process was strong with a satisfactory outcome, but was very time consuming and resource intensive. In **Nicaragua** the process was essentially positive, with a good outcome for CSOs and key populations. However, some study participants were concerned that gender equality considerations were not applied appropriately, as decisions concerning cuts were made that resulted in prevention programs focused on women and young women being dropped from the proposal.

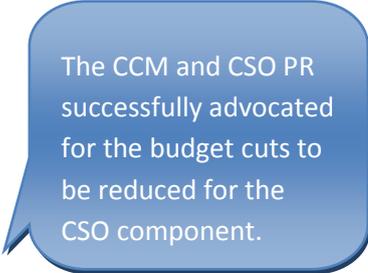
Study participants from the remaining six countries noted significant problems with the renewal process concerning civil society organisation participation or negotiating power: Ethiopia, Haiti and Zimbabwe, and with more specific problems in Armenia, Belarus and Madagascar. In **Armenia**, CSOs, the CCM, and PRs disagreed on whether CSOs were given adequate opportunity to engage in strategic decision making concerning budget cuts for the Phase 2 renewal proposal. The process in **Belarus** was reasonably successful, with a working group established by the Ministry of Health to help inform the process. The CSOs acknowledged that the PR was tied to cuts recommended by the Global Fund Secretariat, along with a push for more focus on vulnerable populations. Here it was felt that opinions were respected, but that hands were tied by budget constraints. In retrospect, CSOs felt that while their views were respected, they did not have the chance to negotiate how vulnerable population programs should have been redesigned to accommodate budget cuts. CSOs also felt that there was a lack of transparency, as some budget cuts were decided behind closed doors. The resulting new design in Belarus means that vulnerable population services are now emphasised for people who use drugs, female sex workers, and men who have sex with men in line with the national strategy. However, the CSOs providing services are now under-resourced with limited available funds for training, educational events, networking etc. There were some successes however, with needle exchange, outreach workers and one

peer counsellor being successfully added for six mobile units. In **Madagascar**, budget cuts were imposed despite the Global Fund Secretariat asking for increased performance targets (e.g. in terms of HIV prevalence reduction among people who use drugs) with no evidence to support the decisions.

Successful and positive aspects of recent grant renewal processes

The study found a number of successful and positive aspects of recent grant renewal processes:

- **Timely invitations and submission of renewal proposals.** Overall the invitation for the submission of a RCF from the Global Fund Secretariat to the CCMs was timely and the responses from the countries were equally prompt and timely.
- **Evidence of effective processes for CSO engagement in grant renewals** such as in Indonesia (see below a case study of the experience of Indonesia Round 9 Phase 2 renewal process).
- **Evidence of CSO successful negotiation concerning program design and resource allocation**, such as the inclusion of some critical programs or program elements in grant renewal proposals that had not been included in the original program design. In **Indonesia**, the CCM and CSO PR successfully advocated that the budget cuts for the CSO component be reduced through the use of alternative funding to support the testing and treatment component of the grant programmed by another PR. In **Madagascar**, the inclusion of funding for the procurement of male condoms was successfully negotiated, which was necessary as USAID funding for condoms was coming to an end. Male condoms were not part of the initial Round 8 proposal but the Global Fund Secretariat accepted the addition within the Phase 2 request. In **Belize**, the inclusion of the provision of behavior change communication and sexual and reproductive health services for youth at risk and young gay, lesbian, bisexual, transgender, and questioning people was successfully negotiated. Successful negotiation for this expansion in services was attributed to the provision of evidence collected and observations made during outreach in the communities. However, the Belize representative was not consulted about the overall program design – only the component that was relevant to their organization. As the interviewee concluded, *“The focus on key populations increased [for Phase 2], especially for MSM [men who have sex with men]. Despite the increased focus on these populations, unless there are the required legislative reviews and changes, reaching these populations will continue to be challenging”*.
- **Programming recommendations from the Global Fund Secretariat that emphasized targeted work with key populations for concentrated epidemics provided an opportunity to increase or maintain targets for these groups and programming for key populations.** In some countries, analysis of data resulted in improved targeting for key populations, e.g. reduced targets for people who use drugs in Indonesia and increased emphasis on sexual transmission through female sex workers and men who have sex with men in accordance with national statistics. Overall, targets were maintained or increased and therefore programming in this area protected. However, in many cases budgets were cut, leading to programs with a reduced workforce and activities with less depth.
- **Evidence of the use of a country ‘Working Group’ to facilitate wider input during the renewal processes that require material change.** This was seen in **Belarus** which underwent a material change to focus the grant on key populations in line with the national strategic plan and epidemic priorities. The Working Group helped to facilitate input from a broader group than the CCM;



The CCM and CSO PR successfully advocated for the budget cuts to be reduced for the CSO component.



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however it was very time consuming and was not completely successful in allowing transparent decision-making and negotiations.

A positive experience: Indonesia Round 9 Phase 2 renewal process

In September 2011, Indonesia started a process to develop a Phase 2 renewal application for its Round 9 Grant. The study participants considered that the Round 9 renewal process benefited greatly from their experience of working together on the Round 8 process immediately before it.

The Global Fund initially cut the budget for Phase 2 by 25% which Indonesia complied with. This cut created challenges for the Ministry of Health (MoH) but the National government stepped in to provide funds for ARVs and methadone. Initially, the MoH and the National AIDS Commission (NAC) budget allocations were higher than the civil society allocation for the PR Nahdatul Ulama. However the CCM intervened; requesting MoH/NAC to take an additional 3% cut which would then be allocated to Nahdatul Ulama. Together with this successful negotiation, the civil society SRs interviewed for the study (including one CCM member and one non-CCM member) both felt that civil society involvement in the Phase 2 renewal process was strong and more effective, based on lessons learned during implementation that they were able to incorporate.

The SRs worked closely with Nahdatul Ulama to finalize the activities. Both stated that activities previously paid for by other donors would now be supported with Global Fund funds, which means that Nahdatul Ulama will be sustained for 3 years, as opposed to year by year. With regards to key affected populations, prisoners were added and activities targeting other populations in Round 8 will continue, unless they are cut at a later stage. The target for reaching people who use drugs was reduced since the grant failed to make target in Phase I. However, this was also justified by a recent mapping that saw that HIV transmission had changed from injecting drug use to sexual transmission. There will be a focus on preventing sexual transmission, which will likely lead to an increase in programming for sex workers and men who have sex with men. This was approved, confirmed by the interview with the CCM Technical Working Group Chair and was integrated with other funding such as AusAID and the Global Fund Round 10 Insular Southeast Asian Network on MSM, TG, and HIV (ISEAN) and Asia-Pacific Network of people living with HIV (APN+) proposals. In terms of the proposal developed, Indonesia used several studies and surveys that served as the basis for the renewal application. All partners, Government PRs (MoH & National Aid Commission), CSO PRs (NU & IPPA), other CSOs, Government bodies and development partners worked together for the preparation and finalization of the renewal application and the supplementary notes. The result was that the renewal application focused more on key populations, expanding the outreach services to reach them and strengthening the partnerships in the program implementation by building CSO capacity.

Recommendations from the CSOs involved in the renewal process:

- The work is quite extensive and resource demanding in terms of expert-time (two international experts for about two months each, plus local experts), cost of meetings (there were about 90 meetings), human resource time from four PRs, CSOs and Development Partners etc. This needs to be streamlined.
- The non-CCM SRs felt their participation would have been enhanced with more timely communication. Also information could have been clearer as the SRs have to share the information with SSRs in the provinces.

Less successful and challenging aspects of recent grant renewal processes

Concerns relating to grant renewal processes are primarily about the lack of explanation or evidence for specific programmatic cuts, and the inconsistent engagement of SRs and SSRs (both CCM members and non-CCM members), particularly where budget cuts were required. Other concerns relate to the lack of inclusion of expanded interventions identified as necessary during Phase 1, and delays in final negotiations to allow the release of Phase 2 funds.

- Cuts were made to RCFs compared to original proposals with varying levels of explanation, and in some cases with strong programming direction and increased targets with no clear evidence behind the decision.** Of the nine countries included in the study, six had been asked to cut their budgets by the Global Fund Secretariat (Armenia, Belize, Belarus, Indonesia, Madagascar and Nicaragua). For Ethiopia and Zimbabwe it seems that the original proposed budget allocation for the grant renewal was maintained, according to respondents. Of the study countries five out of nine countries are middle income countries, including Armenia, Belarus, Belize, Indonesia, and Nicaragua. All the middle-income countries had recommended budget cuts from the Global Fund Secretariat (Madagascar, a low-income country, was also subjected to cuts). Across the study countries, the Global Fund was not consistent in its messages during grant renewal processes; in some countries it was quite prescriptive, stating exactly what it would and would not fund, and in other cases cuts were made with just a ceiling as guidance.

Across the study countries, the Global Fund Secretariat was not consistent in its messages during grant renewal processes; in some countries the Global Fund was quite prescriptive stating exactly what it would and would not fund, and in other cases cuts were made with just a ceiling as guidance.

For example, in **Madagascar**, requests from the Global Fund Secretariat indicated an expectation of increased program performance with fewer resources. The Global Fund asked to see the program result in a 2% drop in HIV prevalence among people who use drugs instead of 1%; and asked for condom use increases of 10% instead of 5%. As one respondent in Madagascar explained, *“the Global Fund sent back our plan and budget already amended: probably a 30% cut compared to the request that was sent. Cuts were aimed primarily at behaviour change communication activities... We are not sure what the reason was but suspect it may be because we consistently overshot targets in the first phase”*. The programmatic areas for cuts were driven and largely dictated by the Global Fund Secretariat in this instance, with no supporting explanation or evidence.

Meanwhile, in **Zimbabwe**, the original RCF submission stated that ‘strategy change’ was not applicable. However, based on encouragement from the Global Fund Secretariat, the following statement was added in the re-submission: *“Whilst there has been no change to the strategy for Phase 2 compared to the original proposal there is now a greater focus and budget re-allocation to high impact interventions (PMTCT, ART and TB/HIV interventions).”* According to the Zimbabwe interviewee ‘high impact interventions’ are interpreted as meaning medical interventions. She stated that *“there is a perception that capacity building doesn’t add value to Preventing Mother to Child Transmission, Anti-Retroviral Therapy (ART) and Maternal Child Health. The voice from the community has to be there. If you are giving services to people they need to be able to speak back”*. The CCM budget request for the renewal period was changed between the original submission and re-

submission to respond to the change in strategy mentioned above. Other changes reflected some learning from implementation, such as the reduced need for home-based care due to ART; however it is not clear whether budgets had already been adjusted to reflect this with the original submission. Overall, the process was not clear to the CSO CCM member interviewed.

In another country, one interviewee raised concerns that the indicator set for programs with men who have sex with men was based on UNAIDS statistics rather than national survey statistics and that as the leading MSM NGO, they were not engaged in the development of this indicator.

- Examples of renewal processes that did not effectively engage CSOs (including SR CCM members and non-members).** SRs that are not members of the **Madagascar** CCM were engaged very late in the renewals negotiation process. In **Haiti**, an interviewee commented: *“The major consortium of PLHIV was not involved in the development of the proposal; as a result interventions for those affected by HIV have been cut, e.g. care and support [particularly psychosocial]. Moreover, while treatment is provided, there is no holistic approach to wellness nor inclusion of nutritional supplementation”*. They commented that the PR tightly controls the flow of information so SRs are unaware of what is happening. Overall the CCM is too weak to play its oversight role in this case. One SR interviewee (represented on the CCM) was consulted by both PRs, however they were not satisfied with their involvement as meetings were difficult to attend with the resources that they had. In **Belize**, the interviewee concluded: *“From my knowledge, because of time constraints, CSOs could not be engaged in meaningful ways”*.

The major consortium of PLHIV was not involved in the development of the proposal; as a result interventions for those affected by HIV have been cut.

- Evidence of CSOs having limited negotiation power resulting in little influence over decision-making.** **Armenia** is currently implementing Phase 2 of the RCC after submitting a request for RCC continued funding in March 2012. There have been considerable disagreements between the CSO, PR, the CCM and Global Fund Secretariat representatives concerning the effective engagement of CSOs in the development of the RCC continued funding request (see Armenia case study below). The process of RCF submission for Phase 2 renewal in **Zimbabwe** shows while civil society and key population representatives are included on the CCM, they do not necessarily feel free to make cost allocation adjustment suggestions. For example, civil society members felt that the budget for mass media was unnecessarily high, but did not feel at ease sharing their concerns in an open space. *“Cutting down on mass media was a territorial issue. If I talk about mass media, it sounds like attacking.”* In the end, the Global Fund Secretariat itself was prescriptive and instructed the CCM to remove the budget for mass media campaigns altogether. The civil society representative quoted immediately above suggested that some regional support for reprogramming would be helpful; for example, a neutral body that can help to organize civil society concerns and report them back without there being fear of “reprisals”. Beyond budget allocation *per se*, there is concern that indicators were dropped relating to community mobilization, or in some cases the community mobilization indicators are weak. Concern was expressed by the Zimbabwe interviewee that by removing or weakening community mobilization indicators, networks are less able to demonstrate their contribution to the attainment of the grant objectives. Without being able to demonstrate contribution, there are concerns that this would provide justification for the network to be phased out of the proposal altogether in the future. In

“It would be helpful for example to provide a neutral body that can help to organize civil society concerns and report them back without there being fear of ‘reprisals’.”
- Survey interviewee.

response to these concerns, CSOs have had to conduct their own evaluations so that they can demonstrate their impact.

In **Armenia** and **Indonesia** it was clear from the study that when cuts were recommended by the Global Fund Secretariat, interventions such as testing, treatment and in some cases Opioid Substitution Therapy (OST) were ring-fenced and protected from cuts. The rationale for this is clear; however without creative solutions, this left CSOs with limited grounds for negotiation other than for the reallocation of the remainder of the budget for other aspects of the grant. The engagement of CSOs in budget reallocation varied depending on their effective engagement in the CCM and whether additional mechanisms were established to add consultation (e.g. a broader Working Group for the renewals process). In Indonesia the CSO PR successfully renegotiated the spread of the budget cuts to reduce cuts to CSO components.

A problematic experience: Armenia case study of the Round 2 RCC Phase 2 renewal

In Armenia, the CCM submitted a request for RCC funding in March 2012. Initial process steps were successful with new CCM members elected – with the active involvement of CSOs – to comply with Global Fund requirements. Within Armenia’s grant, the Ministry of Health (MoH) implements treatment, including ARV and methadone substitution therapy, while civil society organizations primarily work with youth, vulnerable populations and people living with HIV. The CSO PR organized a meeting of SRs and requested to submit grant proposals for the RCC grant renewal. In December 2011, the SRs submitted proposals to the PR. In January 2012, the PR informed the SRs that the Global Fund had requested a budget cut by 25%. MoH said that they could not cut the treatment and testing budget. Consequently, all CSO-SRs were given a reduced budget ceiling and asked to revise their budgets. The advice to the NGO PR was to reduce budgets without cutting services or decreasing targets. Consequently, plans to expand geographic coverage were not included. NGOs asked the PR and the CCM how the budget cuts were decided, and whether it was based on the importance or demand for programs and services. For instance, some grant components were decreased by 10% and others by 30%. The PR responded that all this information would be presented during the first meeting of the newly elected CCM.

However, during the CCM meeting, the PR only mentioned that the Global Fund required SRs to cut the budget by 25% and that the youth program components would be discontinued. The PR said that nothing could be changed in the proposal, because the proposal had already been submitted; all changes should have been made before the CCM meeting. When the PR was challenged as to why SRs were not engaged in the budgeting process, the PR explained that *“current SRs could not participate in the process as we did not know who would be selected as SRs”*. Yet during the CCM meeting, the PR insisted that they had provided an opportunity for civil society input in the new grant proposal and would not discuss the grant during the CCM meeting. During the CCM meeting, two CCM Member NGOs did not support the proposal, but overall the request was approved by the CCM and submitted to the Global Fund Secretariat. Six NGOs signed a letter expressing their disagreement with the PR’s approach to sharing information and involving SRs in the grant/budget revision process. The CSOs felt that they managed to draw the attention of the PR, Global Fund Secretariat and the CCM to express disagreement with the grant revision process, but it was too late to make any significant changes to the grant proposal. The Global Fund’s Fund Portfolio Manager visited Armenia and concluded that the PR did everything correctly and the CSOs who complained were wrong because they did not communicate these issues to the PR directly. The CSOs explained that they were not worried about their budgets, but rather about transparency of the process and the involvement of CSOs/SRs in program and budget revisions. They shared their concerns with the PR, the Global Fund and the CCM, but they were not given the opportunity to make changes the proposal.

- Although RCFs are submitted before grants come to an end, the length of time between the end of the current funding phase and the start of a new phase has had a debilitating effect on some programs.** For example, there were considerable delays in the renewal processes in **Madagascar**. The respondents suggested this may have been mainly due to staff turnover at the Global Fund Secretariat. This resulted in activities being suspended for several months. Although program managers' salaries continued to be paid, salaries and peer educators incentives for local organizations were not. This had a severe demobilizing effect – respondents were concerned that it would not be easy to re-recruit the established peer education teams. This demobilizing effect is felt more among community workers than by health care workers, since health care workers in the public and private sector will continue to be paid whether or not a Global Fund grant is active. This suggests that community frontline workers are comparatively undervalued.
- Although the focus on key populations increased for some countries with concentrated epidemics during the renewal process (often as a result of recommendations or requests from the Global Fund Secretariat), targets remain the same or have increased. Yet, budgets have decreased, resulting in services that lack resources and depth.** In **Armenia, Belarus, Ethiopia, and Madagascar**, for example, instructions to CSOs were essentially to cut the budget but maintain the number of activities and numbers (to reach target indicators). To achieve this, CSOs responded by cutting human resources, administrative costs, training and education budgets, resulting in a program of work with less depth per activity, with more work per person, and with less financial support or incentives for frontline workers. In some cases, these budget cuts resulted in beneficial streamlining of activities and administration or more rational sharing of geographical locations for work with key populations. However, in other cases the reallocation of resources was not fully transparent and resulted in frustration from CSOs. In Madagascar, one interviewee explained that overall the national program will remain appropriately focused on key populations, however SRs will receive less funding and will manage fewer peer educators but will be expected to reach a larger number of localities. One interviewee from Madagascar stated: *"We now have to operate with 70 instead of 100 peer educators to reach 27 instead of 18 communes. We will do fewer activities per commune. Some of the changes make sense, e.g. there is now a better distribution of sites/populations by SR. But the challenge is we have a shorter time to do the work, and the political crisis has meant there are now more and more sex workers. One of the consequences has been that we have had to fire peer educators. The ones to lose their jobs were the ones who had fewer reading and writing skills – they were good at communication but less good at filling in the monitoring forms"*. Consequently the number of sites to be covered will increase, but the depth of coverage (e.g. the frequency of contacts and range of services provided) will decrease.

Instructions to CSOs were essentially to cut the budget but maintain the number of activities and numbers (to reach target indicators).

The focus on key populations for countries with a concentrated epidemic resulted in drastic cuts to programs outside this remit with seemingly little regard to gender equality considerations. For example, in **Nicaragua**, after the Round 8 Phase 2 renewal proposal was submitted, a letter was sent to the CCM saying that the proposal did not fully reflect the epidemiological situation of the country (as a country with a concentrated epidemic) and that the proposal should be revised before signing. This resulted in 12 SRs, whose focus was not explicitly men who have sex with men, transgender people and sex workers, being excluded from the renewal. At the time of the interview there were no interventions specifically for women, youth and adolescents remaining in the proposal. Those surveyed viewed the prioritization of key populations as a positive step towards the recognition of the rights of key populations to universal access. For the first time ever, these populations had been involved in the process from the beginning and there is a commitment to universal access. However, the marginalization of women and youth was lamented and was seen as leaving a major programming

gap. **One PR complained that it had received no support from technical partners in the country or through the CCM during the negotiation phase or in their efforts to fulfill Global Fund conditions.** The feeling of the respondent was that international technical partners are not fulfilling the role that the Global Fund Secretariat expects them to play.

E. Discussion of key conclusions and any major concerns related to the renewals process

Key conclusions

CSO SRs from Phase 1 who were not represented on CCMs felt that there should be a process for their engagement in strategic decisions and budget reallocation for grant renewals or at the very least that information should be more clearly and transparently communicated. It is important for non-CCM SRs to have an opportunity to advocate for the importance of their program element, and to actively participate in the decision-making process, particularly where budget cuts are discussed as part of the renewal process. This requires the acceptance of existing CSO-SRs as key stakeholders even if they are not necessarily guaranteed to be SRs in the next phase.

The establishment of renewal Working Groups for countries facing budget cuts, as well as in those requesting material changes to their grants, could be beneficial. It should be noted that the study revealed that CSOs that were engaged in the renewal process found the process very time consuming. Streamlining the processes without compromising multi-sectoral engagement will be important for iterative processes that are being **introduced in the New Funding Model.**



The establishment of renewals Working Groups for countries facing budget cuts as well as in those requesting material changes to their grants could be beneficial.

When cuts are suggested by the Global Fund Secretariat, often the first response by the CCM and the Government is to ring-fence testing, HIV treatment and Opioid Substitution Therapy services which in many cases are implemented under Government PRs. Consequently cuts are loaded onto CSO-led programs providing other services and capacity building. In some countries this situation was accepted, however in **Indonesia**, the CCM and the CSO PR were able to negotiate for a reduction in cuts to the CSO component, with the Government picking up some shortfall in the budget for testing and treatment. Careful consideration to the power balance between PRs from different sectors, and the opportunity for increased national funding contributions should be considered during each grant renewal process.

The push by the Global Fund Secretariat for adequate focus on vulnerable populations for countries with concentrated epidemics provided a vital protective effect in an environment of budget cuts and resulted in some important refocusing of programs to benefit key populations. However, targets were maintained or increased despite budgets being cut. Attention to key populations meant that some grants lost sight of other programming elements, particularly programming in relation to gender.

In some countries, exceeding targets in one phase resulted in a cut in budget for the next phase. This had a demoralizing effect and was interpreted as a punishment for success, since maintaining budget levels would have enabled further scaling up.

The Global Fund Secretariat is inconsistent in its messages to countries during grant renewal processes. In some countries it is quite prescriptive about what it will and will not fund and in other countries budget cuts are suggested with a recommended ceiling. In some cases, this produced positive outcomes, such as the increased focus on key population programs in countries with concentrated epidemics. However, in

other cases CSOs felt that it marginalized them somewhat from the process, as it resulted in discussions taking place primarily between PRs and the Global Fund Secretariat. For some this led to bad outcomes for CSO programs, in particular in relation to the scope of their interventions and the imposition of ambitious targets to be reached with insufficient funding.

Recommendations and opportunities revealed by the study

- Recommendation to Global Fund Secretariat and national level decision makers:** Iterative processes require the engagement of those in the best position to question assumptions and inform decisions. In the case of the grant renewal processes, SRs on CCMs sometimes had limited opportunity to negotiate and provide input into proposals that included material changes and cuts. Indeed in many cases non-CCM SRs and SSRs were often not engaged until the last minute, if at all, even though the cuts often directly affected their programs the most. Whether engaged through country Working Groups, CCMs or PR led-meetings, all partners should be subject to equal levels of budgeting transparency, and attention should be paid to ensure that all relevant parties are able to attend meetings with due consideration of the resources that organizations have available.
- Recommendation to the Global Fund Secretariat:** Review the number of grant renewal processes that have resulted in protracted negotiations, which led to program interruptions and demobilization of front line workers. Establish corrective measures to be put in place to avoid similar situations in the future.
- Recommendation to the Global Fund Secretariat:** The provision of process guidance from the Global Fund Secretariat for future iterative processes will be key to ensure the effective engagement of CSOs and the most strategic allocation of resources. Guidance could include the appropriate amount of time to invest in each process step, levels of transparency required of all partners, and improved processes for engaging non-CCM CSOs and, in particular, CSOs representing key or marginalized populations. The inclusion of CSO engagement guidance for grant renewal processes subject to cuts will be necessary, as CSOs are often disproportionately affected. This requires the acceptance of existing CSO-SRs as key stakeholders in strategic level discussions even if they are subsequently subjected to a Call for Proposals and may not necessarily be SRs in the next phase. The Global Fund Secretariat should identify further lessons learned from Phase 2 and RCC renewal processes when it designs and rolls out the iterative process for new grant applications under the New Funding Model.
- Recommendation to Principal Recipients:** Engagement of SRs and SSRs beyond a ‘briefing meeting’ is essential, particularly where budget cuts are necessary or programs with key populations are concerned. This will help ensure that decisions are based on a proper appraisal of the potential consequences of cuts on communities, will help protect the most needed services, and will ensure that resources are allocated where they are most needed. Such engagement will also guarantee that civil society is able to engage with the overall strategic decision-making, as well as focus resources where they are most needed for front line services. An extension of renewals Working Groups for countries facing budget cuts in addition to those with a material change in grant content or scope would be beneficial.

‘Non-CCM SRs and SSRs were often not engaged until the last minute, if at all, even though the cuts often directly affected CSO programs the most’.

- **Recommendation to Country Coordinating Mechanisms:** Be cognizant during grant renewal processes of the power balance between PRs or different representatives within the CCM particularly where budget cuts are being imposed by the Global Fund Secretariat. The opportunity for increased national level commitment should be considered during each iteration of the grant renewal process.
- **Recommendation to civil society organizations:** Ensure that SRs and SSRs have adequate capacity to engage in grant renewal processes, e.g. that staff are made available and are well briefed. It is vital that civil society organizations consider the overall strategy of grant applications as well as the specific needs of community based programs, and clearly demonstrate their ability to engage with the processes.
- **Recommendation to technical partners:** Community-based organizations often have limited capacity to engage in grant negotiation and renewal processes with PRs, CCMs and the Global Fund Secretariat. Technical partners should invest considerably more resources in strengthening and mentoring community sector organizations and leaders so that they can participate effectively in such processes. This will become increasingly important in the context of the Global Fund's New Funding Model, and in the context of the need for increased financial contributions from governments to their national AIDS, TB and malaria responses.

F. Annex: Survey questionnaire

Survey on Global Fund on AIDS, Tuberculosis and Malaria Grant Renewals process

As part of CSAT's work to assess the impact of changes at the Global Fund on civil society organizations and key population focused programs, we are conducting a survey in countries that have recently undergone or are currently undergoing the process of renewing existing grants.

The survey aims to answer the following question:

How have recent changes at the Global Fund affected the process for renewing and reprogramming grants, particularly in relation to civil society led programs and those focused on key populations?

For the initial phase of this survey, which was completed in time to present the results to the Global Fund Board meeting in May 2012, we collected data from 5 countries: Belarus, Haiti, Nicaragua, Madagascar and Ethiopia were selected based on ease of access. CSAT is surveying this issue in 5 additional countries in a second phase.

The survey will be conducted by telephone or in person, with 3-5 key informants per country. Informants will be selected based on having recently participated in a grant renewal or reprogramming process, with particular emphasis being paid to informants from civil society and key informant groups, and to grants that are relevant to these groups. Interviews should last between 30 minutes and one hour. Participation in the survey will be anonymous, and answers confidential, for any participants who require this.

Interviews will be transcribed and translated into English and compiled into a policy report by ICASO. Summary versions will be published in additional languages.

Consent

- Do you have any further questions about the purpose of this survey?
- Are you happy to participate in the survey? [Yes/No]
- Are you happy for your name to be listed as a survey participant in the report? [Yes/No]
- Would you like us to keep your comments and answers anonymous in the report? [Yes/No]
- Would you like to receive a copy of the report? [Yes/No]

Questionnaire

Please note that some questions require narrative/descriptive answers. Answers should be noted and transcribed as fully as possible.

Date of interview:

Question
1. Respondent information
1.1 Country:
1.2 Name of respondent (optional):
1.3 Name of organization (optional):
1.4 Role within organization (optional):
1.5 Type of organization (pick one):
<ul style="list-style-type: none"> - Community based organization (sex workers) - Community based organization (MSM) - Community based organization (People who use drugs) - Community based organization (PLHIV) - Community based organization (women) - Community based organization (transgender)

<ul style="list-style-type: none"> - Community based organization (other community _____) - National NGO - International NGO - Government organization - UN system - Other _____
<p>1.6 Involvement in Global Fund in relation to the grant being renewed (tick all that apply; specify which Round/grant applies for this country):</p> <ul style="list-style-type: none"> - CCM member - Principal recipient - Sub recipient - Sub-sub recipient
<p>2. ALL RESPONDENTS: Involvement in grant renewal or reprogramming process (NB: narrative answers required)</p>
<p>2.1 When did the process for renewing the Round X grant in your country take place?</p>
<p>2.2 Please describe how you/your organization were involved in the process? Were you satisfied with how you/your organization were involved? Why/why not?</p>
<p>3. FOR CBOs and NGOs involved in implementing the grant in question: Results of the process for your organization (NB: narrative answers required)</p>
<p>3.1 What was the outcome of the process for you/your organization? Is your organization's role in implementing the new phase of the project bigger or smaller than it was in the previous phase (in terms of funding and scale)?</p>
<p>3.2 Were you asked or told to cut parts of your program? Did this come from the Global Fund or from technical partners in your country? What reasons were given? What evidence were the cuts based on?</p>
<p>3.3 If you were asked to make cuts, how did this happen – were you provided with a reduced budget ceiling and asked to rework the program accordingly? Or were you asked to cut specific types of programming (e.g. specific interventions or target populations)?</p>
<p>3.4 Did you end up cutting any aspects of your program? Which ones? What were the reasons for cutting them? Were they cuts in content (e.g. types of interventions), population (e.g. types of target population), or scale (geographic reach/focus)?</p>
<p>3.5 Did you end up adding anything to your program? What was added, and why?</p>
<p>3.6 How did you react to proposed changes – did you try to negotiate (either with the PR, the CCM, Global Fund)? Were you successful?</p>
<p>4. All respondents (e.g. including non NGO/CSO PRs, CCM members etc): Results of the process for the grant as a whole (NB: narrative answers required)</p>
<p>4.1 What was the outcome of the process in terms of civil society involvement in program implementation? Did it increase or decrease?</p>
<p>4.2 What was the outcome of the process in terms of focus on key populations? Did this focus increase or decrease, for each of the main key populations (PLHA, sex workers, MSM, IDU, others)?</p>
<p>4.3 What in your opinion will be the main impact of the results of the process? (E.g. will coverage of key populations or service increase or decrease? Will the national program be more effectively focused or less?)</p>
<p>4.4 If there were cuts or increases in the grant, where did the initiative for these come from? From CSOs? From the government? From the CCM? From the Global Fund? From other partners?</p>
<p>4.5 Please share any other comments you have on your experience of the renewals process?</p>

---Thank you for participating---