

The Global Fund expands its role



Dr Michel Kazatchkine

Dr Michel Kazatchkine was recently appointed executive director of the Global Fund to Fight AIDS, Tuberculosis and Malaria. He has treated people with AIDS for more than 20 years and been co-author of more than 600 research papers. From 1998 to 2005, Kazatchkine was director of France's National Agency for AIDS Research (ANRS), the world's second-largest AIDS research programme. He formerly served as France's envoy for HIV/AIDS and communicable diseases. Kazatchkine was the first chair of the Global Fund Technical Review Panel, which assesses the quality of grant proposals.

Since the Global Fund was established in 2002, it has expanded from 15 to 300 staff and plans to triple its current size by 2010, reaching a spending target of US\$ 6 billion per year to meet projected demand. Single disease campaigns have recently come under fire for destroying health systems, but Kazatchkine argues that vertical funds can, in fact, strengthen health systems. He tells the *Bulletin* about his organization's plans to finance health systems in developing countries while continuing to fund country programmes for AIDS, tuberculosis and malaria.

Q: You arrived at the end of April this year, are you planning to take the Global Fund in a new direction, or is there a sense of continuity from your predecessor?

A: Currently we are funding primary treatment and prevention, but with our planned increase in annual disbursements from US\$ 2 billion to US\$ 6 billion we intend to expand much more into health systems. This will have structural and workforce implications. Staff morale at the fund has been low; we saw burnout syndrome and we intend to address this with an external management and structural review of the organization.

Q: What makes the Global Fund different from other development aid financing mechanisms?

A: The Global Fund is a financial mechanism that transfers and invests donors' money into countries' programmes. Our basic principle is country ownership – we have no in-country staff and there are no Global Fund programmes. That means the country must design and implement its own programmes. This is

done with the assistance of partners such as WHO (World Health Organization), UNAIDS (the joint United Nations Programme on HIV/AIDS), UNICEF (United Nations Children's Fund) and the World Bank.

Q: Many "panaceas" in the world of development aid have failed to deliver. Do you have a clear philosophy in your approach to development aid, or is this shifting all the time?

A: It's not shifting all the time. For me, one reason why the Global Fund has the confidence of donors and why we have grown from zero to US\$ 12 billion in assets in less than five years is because we are a totally new, innovative way of providing aid. Previous models were primarily bilateral and top-down. Firstly, the Global Fund is based on country ownership. Countries submit programmes, implement them and are accountable for what is being achieved. Secondly, Global Fund funding is performance-based. That means that we deliver the first tranche of funding to a country to achieve an objective to go from A to B, but the

money to go from C to D will only be given once objective B has been reached. This means there are clear milestones, accountability and results. The Global Fund is also inclusive. Be it at our board or at country level the governance of the Global Fund includes all sectors: public and private, institutional and civil society, north and south. Donors and beneficiaries are equally represented on our board, whereas usually it's those giving the money who are in control. Each country that is affected with the diseases that we cover has the same right to vote as the United States of America, a country that brings in US\$ 850 million a year. That's very innovative. Almost 40% of our money in the countries is channelled through non-government recipients so it's very different to the UN system. Finally, we are extremely transparent. Our website is updated every week on where and how we spend our money. And the accountability that we ask for is extremely transparent. Whenever something is wrong, we can discontinue or suspend funding, which we do, and which a bilateral donor linked by a number of considerations would not do.

Q: Vertical or single-disease programmes have been criticized for causing imbalances in the health systems of developing countries. By pumping disproportionately funds into AIDS, tuberculosis and malaria, other areas of public health are being neglected. What is the Global Fund doing to address imbalances caused by its focus on three diseases?

A: I disagree that vertical funds distort investments in health and particularly that they neglect investments in health systems. If I look back at the 1980s and 1990s, when donors were giving funds to ministers of health to strengthen health systems, we know, for example, that this ended up in a city hospital getting a magnetic resonance imaging scanner and not for serving the poor. If there has been progress in peripheral infrastructure, health workforce and systems in the poorest countries in the

last five years it's because of AIDS funding. AIDS funding has been a powerful driver for health systems strengthening. We, a vertical fund, spend over 50% of our funds in strengthening health systems. Commodities such as drugs and condoms would only represent 40–45% of our budget. Building infrastructures, training and recruiting people, is 55% at least. We recognize, as everyone does, that we need to go further in developing health systems. That's why we had a workshop in July with WHO to explore this issue and the board will discuss this further in November. I am deeply convinced it's not a question of either you fund health systems or you fund diseases, you have to fund them together.

Q: Another criticism is that focusing on three diseases encourages developing countries, desperate for funds, to exaggerate the numbers of people with AIDS, tuberculosis and malaria so that they qualify for grants. How are you addressing this?

A: I do not think there is distortion in order to get money. Data are very carefully validated by independent sources. The Global Fund is an extremely accountable entity. Whenever a country sends us a result, we receive information from two channels, the principle recipient and an independent observer. If we see a discrepancy between the two, we do not send money for the next stage until that discrepancy is sorted out and the data validated. The Global Fund has co-produced with WHO, UNAIDS, World Bank and PEPFAR (President's Emergency Plan for AIDS

Relief, a programme funded by the United States of America) a tool kit so that we are all looking at the same indicators.

Q: The Global Fund asks countries to evaluate themselves in order to give countries "ownership" of the process but there is no real independent method of accountability. Who can answer for the validity of the programme and the impact of the money spent?

A: No, not at all. This is a 19th-century colonial centralizing way of looking at things. We are in the 21st century dealing with adult countries that have national plans, which know that the better the data they provide, the more accountable they will be and the faster the money will flow – that's performance-based funding.

Q: Currently the Global Fund penalizes countries for doing well, i.e. getting their HIV epidemics under control, while countries that have rampant HIV, tuberculosis or malaria are rewarded. How is the Global Fund trying to move away from these perverse incentives?

A: The countries with the highest disease burden are not necessarily getting the highest grants. Our largest grant in AIDS ever signed, US\$ 270 million, is with India, which is a very low prevalence country but a very large country. We are asking that the countries come with their national plan, clear objectives and coherent budgets. In a low-prevalence country it means a lot of emphasis on prevention and in countries with a very heavy burden of disease, strong emphasis on treat-

ment. If the budget and objectives are sound and relevant to the country we will fund it. All of the grants submitted to the fund are reviewed by a technical panel of 30 independent experts from north and south.

Q: What discussions are under way on how the Global Fund plans to provide grants for areas beyond AIDS, tuberculosis and malaria?

A: There are several things happening at the same time. Our board has accepted, as a strategic decision for the next three years, that we start contributing to financing national programmes in countries that are strong performers from the project-based approach. At the same time, eight heads of agencies, the "H8" [WHO, UNICEF, UNFPA (United Nations Population Fund), UNAIDS, World Bank, GAVI (Global Alliance for Vaccines and Immunisations), Global Fund and the Gates Foundation] had a meeting in New York on 20 July to discuss health systems strengthening and funding.

Q: And finally is it by design or coincidence that there are so many French officials at the top of international financial organizations?

A: You are right, the World Trade Organisation, the European Central Bank, the Bank for Reconstruction and Development, the Global Fund, and from October, the International Monetary Fund. I would rather say it's a coincidence and that these are merit-based appointments. ■