Issue Brief

The Global Fund to Fight AIDS, Tuberculosis, and Malaria

Introduction
Increased funding commitments since the initiation of the Global Fund to Fight AIDS, Tuberculosis, and Malaria (the Global Fund) in 2002 have led to huge strides in treating and preventing HIV and AIDS, and the goal of achieving an AIDS-free generation is closer than ever before. The U.S. Government and the Global Fund account for 80 percent of the total global funding for HIV and AIDS, and they have led efforts to promote continued financing and support to stop the epidemic. Recent reforms to the Global Fund have garnered widespread financial commitments from donor countries despite the global economic crisis. Furthermore, the reforms promise to promote a funding mechanism that is responsive to countries’ needs, is transparent and adds value for investments in the three diseases.

Background: What Is the Global Fund to Fight AIDS, Tuberculosis, and Malaria?
One of the largest funders of HIV and AIDS globally, the Global Fund was created in 2002 to respond to calls for improved donor harmonization, increased country ownership and improved transparency and accountability in global health programming. The Global Fund was officially endorsed at the Genoa G-8 Summit in 2001, and the Secretariat was established in Geneva, Switzerland, in January 2002. It brings public and private donors together into a multilateral funding entity to achieve greater impact for investment to combat HIV and AIDS, tuberculosis and malaria.

The Global Fund’s operations are based on a set of core principles:

- The Global Fund operates as a financing, not an implementing, partner.
- It promotes national ownership and partnerships with key in-country stakeholders.
- It promotes value-added and performance-based funding.
- It supports balance, transparency and accountability in its disbursement of funding.

To achieve its goals of country ownership, the Global Fund implemented Country Coordinating Mechanisms. Country Coordinating Mechanisms are stakeholder committees with representatives from public and private sectors in Global Fund recipient countries. Country Coordinating Mechanisms also are responsible for developing and submitting proposals to the Global Fund. Because the Global Fund does not maintain country offices, the Country Coordinating Mechanisms are responsible for nominating a Principal Recipient of Global Fund grants and for overseeing the grants once they have been awarded. The Global Fund’s Secretariat is responsible for grant management and administrative oversight of the Global Fund’s financing obligations.
The Global Fund to Fight AIDS, Tuberculosis, and Malaria: By the Numbers
By November 2013, the Global Fund had cumulatively disbursed over $22 billion (US) to 151 countries by awarding over 1,050 grants. These grants contributed to an estimated 5.3 million people receiving antiretroviral treatment for HIV, 250 million people reached with HIV counseling and testing, and 1.7 million women receiving treatment for prevention of mother-to-child transmission of HIV. The United States accounts for almost 33 percent of Global Fund contributions, and the U.S. Government regularly provides technical assistance to both Country Coordinating Mechanisms and Global Fund grant implementers to improve programming, coordination and achievement of results across all three technical areas. The U.S. Agency for International Development (USAID) works closely with the Global Fund Secretariat to leverage resources and promote country coordination. This collaboration includes provision of technical assistance to Country Coordinating Mechanisms and Principal Recipients as well as active involvement as a key stakeholder in the Country Coordinating Mechanisms themselves.

2011–2012 Restructuring of the Global Fund to Fight AIDS, Tuberculosis, and Malaria
Despite its goals to promote transparency and accountability in global health financing, in 2011 the Global Fund was criticized for not having sufficient oversight systems in place to limit the misuse of funding at the country level. It subsequently embarked on a restructuring mission to address these issues. A high-level review panel called for a set of specific organizational and managerial improvements in the Global Fund’s practices and financial oversight. This restructuring has allowed the Global Fund to be more responsive to country needs and to align more closely with global goals of zero new HIV infections, zero AIDS-related deaths and zero discrimination.

In February 2012, a new General Manager, Mr. Gabriel Jaramillo, was appointed to oversee the structural changes of the Global Fund. Changes to the funding structure will be fully launched in March 2014 and will include the removal of rounds-based funding, which will be replaced with a predictable investment cycle aligned with national planning cycles to provide flexibility and to better meet country needs. This will not only allow Global Fund disbursements to complement domestic and bilateral funding cycles, but will also enable countries to submit requests aligned with national strategic plans on timelines that work for them. Countries preparing concept notes will also now be given a specific funding range they can use to guide their planning. This range is based on a standard country classification using multiple criteria, including disease burden and ability to finance health interventions.

Changes were also made to the leadership and organizational structure within the Secretariat to meet the core goals of the Global Fund. In 2012, Dr. Mark Dybul, who had previously served as the U.S. Global AIDS Coordinator from 2006 to 2009, was named as the Global Fund’s new Executive Director. In addition, the Secretariat staff were reorganized to better align staff skill sets with country needs, including increased country visits to provide oversight and grant management. The Global Fund also revised its investment approach to strategically target areas with high disease burdens and low resources and to better leverage partnerships with country stakeholders to provide more cost-effective interventions.

Best Practices in Country Ownership and Aid Harmonization: The Mozambique Sector Wide Approach
In June 2013, the Global Fund awarded grants to the first three countries to receive funding under the new, restructured model. Although results from these countries are not yet available, examples of previous successes in donor harmonization and country ownership within Global Fund programs, such as the Mozambique Sector Wide Approach (SWAp), demonstrate the values that the new funding model seeks to promote.

In 2004, the Mozambique Ministry of Health, government partners, civil society partners and a concerted donor contingent successfully submitted a proposal to integrate Global Fund disbursements into their SWAp and into Prosaude, their Common Health Fund. SWAp and Common Health Funds such as Prosaude are pooled funding mechanisms intended to strengthen the health system throughout the health sector, rather than target specific diseases. The integration of Global Fund disbursements, which have traditionally been disease specific, into this model represented a departure from the norm and an opportunity to demonstrate the impact of country-led implementation of Global Fund grants. In the case of Mozambique, the Global Fund was willing to adapt its normal model and adhere to the SWAp and Prosaude model because the Ministry of Health had demonstrated exceptional control and ownership over external resources and established a set of common principles for using pooled funds, and because of an intensive effort from development partners to support the Government of Mozambique’s mechanism. In addition to agreeing to participate in the pooled funding mechanisms in Mozambique, the Global Fund accepted nationally agreed upon indicators and targets and allowed implementing partners to utilize existing monitoring and evaluation systems to report results to the Global Fund. This prevented duplication of reporting efforts by Mozambique’s Ministry of Health and allowed partners to build and strengthen their existing systems, rather than create parallel ones.
The participation of the Global Fund in Mozambique’s pooled health funding mechanisms resulted in overwhelmingly positive outcomes:

- The existing health system was strengthened through investments in SWAp, Prosaude and existing monitoring and evaluation systems.
- Alignment of funding with national strategies allowed flexibility in the utilization of development assistance.
- Global Fund involvement in the SWAp and in Prosaude resulted in improved dialogue among partners and led to better knowledge management and more efficient allocation of resources, which led to a major reduction in transaction costs.
- Civil society and non-governmental organization participation in the policy-making process improved.
- The Global Fund entry into the SWAp and Prosaude models led other donors, including the World Bank, to also participate in the pooled funding mechanisms in Mozambique.

**The Future of the Global Fund to Fight AIDS, Tuberculosis, and Malaria: Shared Responsibility for an AIDS-Free Generation**

Increased funding for HIV and AIDS in the past decade through global health initiatives like the Global Fund – in addition to dedicated country programs and continued technical and financial support from key donor partners – has produced impressive results. Estimates in 2011 found a 28 percent global reduction in new HIV infections since 2001. To build on this and other achievements, the Global Fund recommended raising $15 billion (US) for the 2014–2016 funding period by calculating the financial need to achieve global targets across the three diseases. This level of funding would allow donors and stakeholder countries to provide about 85 percent of people in need with access to lifesaving interventions across all three diseases and has the potential to save 5.8 million lives through treatment and prevention by 2016.

Although the global economic crisis strongly impacted major donors’ ability to make commitments to the Global Fund in recent years, strong initial pledges by the United States led to commitments by other large G-8 donors and the private sector to maintain or increase current levels of funding. The funding outlook is optimistic for the Fourth Replenishment Round of the Global Fund for the 2014–2016 period, which will be launched on December 3, 2013, at a meeting hosted by the U.S. Government in Washington, D.C. Additionally, domestic public and private spending on HIV and AIDS in recipient countries doubled from 2005 to 2011. This is an encouraging sign for continued investment from low- and middle-income countries in stopping the HIV and AIDS epidemic and for partnering with multilateral donor mechanisms to combat the disease.

These continued commitments to the Global Fund demonstrate a renewed faith in the innovative mechanism’s ability to provide cost-effective financing, partner-led interventions and aid harmonization across the three diseases. Continued investment by key donor countries has resulted in commitments from private funders, such as the Bill & Melinda Gates Foundation, and has ensured that the Global Fund will be able to continue combating HIV and AIDS, tuberculosis and malaria despite the global economic downturn. Going forward, the Global Fund will provide increased value for money through improved procurement processes and targeted interventions in high-impact areas, enhanced dialogues with country counterparts, strengthened partnerships between all stakeholders and flexible and predictable funding cycles. These reforms, and the continued commitment from Global Fund donors and partners, will allow the Global Fund to continue to play a critical role in achieving an AIDS-free generation.

**References**