



## Africa Action Talking Points on the Global Fund to Fight AIDS, Tuberculosis and Malaria

[www.africaaction.org](http://www.africaaction.org)

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### ***Introduction***

In South Africa the Global Fund to Fight AIDS, Tuberculosis and Malaria has supported over 600,000 Orphans and other children affected by AIDS with necessary care and treatment. In Burundi there are over 544,000 people currently receiving treatment through Global Fund support. Thousands of traditional healers in Lesotho have been supported by the Global Fund to help lead the fight against tuberculosis. In four years HIV prevalence among the general population in Togo has been reduced by nearly half. Finally, in Niger the number of cases of malaria has been cut by one third and 50% less people are dying from Malaria.

These success stories are as a result of the nearly \$15 billion in grants awarded to 140 countries, saving approximately 2.5 million people from diseases. **But now the Global Fund faces unprecedented challenges amidst a global economic crisis.** A funding crisis has emerged, as pledges by donors have not been up to par, leaving a serious gap of \$5.25 billion.

The Global Fund's budget for the fiscal year 2011 calls for approximately \$5.25 billion to finance ongoing grants and inducturate the Round 10 grant cycle. The \$5.25 billion request is to satisfy the \$2.5 billion needed for grant renewals and the estimated \$2.75 billion to fund new proposals in Round Ten. Africa Action calls for the U.S. to contribute its fair share: **a minimum of \$1.75 billion.**

Historically, the United States led by example, and contributed its fair share in financing life-saving programs supported by the Global Fund. Urgent action is needed to pressure the United States to maintain this tradition. President Obama needs to fulfill his commitment to work vigorously in the fight against HIV/AIDS and other critical global health challenges. The current administration and congress must commit more resources in order to fill the Global Fund's funding gap, so that recipient countries burdened with HIV/AIDS, tuberculosis, and malaria can receive adequate funding.

If new money isn't contributed to the Global Fund, it will be forced to cut existing and future grants by 25%. This threatens to drastically reverse the crucial gains made on the global health front in the last eight years.

### ***What is the Global Fund?***

The Global Fund to Fight AIDS, Tuberculosis and Malaria is a public-private partnership; funding grants that are designed to counter AIDS, tuberculosis, and malaria. It has become the main source of finance for global health initiatives. The Global Fund was proposed by UN Secretary General Kofi Annan in 2001, and came into fruition in 2002.

On January 1, 2009, the Global Fund became an administratively autonomous organization, through the termination of its service agreement with the World Health Organization. To date, the Global Fund has committed \$15 billion in grants to 140 countries, saving approximately 2.5 million people from diseases.

### ***How Does it Operate?***

The Global Fund combines a public/private partnership between civil society, governments, private sector, and affected communities, to provide funds to combat AIDS, tuberculosis, and malaria.

The Global Fund operates on a set of principles, which are:

- [a] Operate as a financial instrument, not an implementing entity
- [b] Make available and leverage additional financial resources
- [c] Support programs that evolve from national plans and priorities
- [d] Operate in a balanced manner in terms of different regions, diseases, and interventions
- [e] Pursue an integrated and balanced approach to prevention and treatment
- [f] Evaluate proposals through independent review processes
- [g] Operate with transparency and accountability<sup>1</sup>

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<sup>1</sup> Global Fund – How the Global Fund Works  
(<http://www.theglobalfund.org/en/how/?lang=en>)

Run in Geneva, Switzerland, and abiding by Swiss law as well as its own by-laws, the Global Fund is managed by an international board that consists of twenty voting and four non-voting members. The members are diverse, ranging from government representatives, NGOs, philanthropic foundations, and delegates from the affected communities. The Global Fund is also assisted by UNAIDS, the World Bank, and the World Health Organization.<sup>2</sup>

The Global Fund does not directly implement programs, and only serves as a financial instrument, utilizing a unique model to finance its programs. It follows a bottom-up approach, where countries that apply to the Global Fund for grants will develop proposals based on their individual needs. These proposals are sent to a Technical Review Panel that reviews the grant applications from the beneficiary countries. The Technical Review Panel will then screen the proposals and recommend to the Board which proposals are technically sound and substantive. Grant applications can either be approved without conditions, approved with conditions, considered only if rewritten and resubmitted, or rejected.

The Global Fund makes finances available to any country that demonstrates a need. There are no quotas as to whether money received should be directed towards AIDS, tuberculosis, or malaria, and this allows for greater flexibility with the programs. In order for a country to receive funding, a Country Coordinating Mechanism is created, helping to organize its grant application. Once approved, the funds are given to the principal recipient, either a government agency or private organization. The principal recipient then coordinates with a local fund agent, which is an independent organization contracted by the Secretariat of the Global Fund to administer and see to it that funds are distributed in the approved manner. The local agent will also provide analysis and oversight throughout the duration of the project.<sup>3</sup>

The Global Fund is highly transparent and accountable. Any person can track the progress of grants on the Global Fund website, as well as evaluations of its performance, and all the documents and materials discussed at Board meetings.

### ***How Does it Secure Funding?***

The Global Fund does not dictate how much money countries should donate. It does issue guidelines on how much money is required to fund grants. The size of the fund was tripled from a previous \$2-3 billion to \$6-8 by the end of 2008.<sup>4</sup> Pledges are made through “goodwill,” but major developed countries are expected to meet a proportion based on their GDP. The Global Fund utilizes a system of periodic replenishments, where replenishment conferences are held regularly. Donations are also done in rounds, with a round every year constituting of various pledges.

Approximately 50 countries have pledged money to the Global Fund throughout its history. The largest donor is the U.S., which donates around 33% of the total funds each year. Organizations

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<sup>2</sup> Avert – The Global Fund to Fight AIDS, Tuberculosis, and Malaria  
(<http://www.avert.org/global-fund.htm>)

<sup>3</sup> Avert – The Global Fund to Fight AIDS, Tuberculosis, and Malaria  
(<http://www.avert.org/global-fund.htm>)

<sup>4</sup> Health Gap  
(<http://www.healthgap.org/globalfundshortfallfacts.htm>)

such as (PRODUCT) RED and individuals also donate to the fund, and donations are not restricted to government institutions only.<sup>5</sup>

### ***What is the Grant Process?***

All grants by the Global Fund are for an initial two years. If progress is being made at the end of the two-year period, then the grant can be renewed and extended by three years to the full period of five years. If substantial progress is being made at the end of five years, the grant can be renewed for another five years.

### ***Process***

First, the country identifies the needs to address a specific disease, and the associated prevention and treatment strategies. They work with local organizations and a Country Coordinating Mechanism in preparation of a proposal to the Global Fund. The Country Coordinating Mechanism then puts forward a proposal to the Technical Review Panel. Once assessed and approved, the Technical Review Panel sends a proposal to the Global Fund board. The board can either approve or reject the grant based on available funds, and if approved, appoints an agent in the country as a principal recipient. Global Fund secretariat will then establish contact with a local fund agent. An agreement is established for a program over certain duration, and overseen by the local agent; the principal recipient begins to distribute the funds to identified health organizations in the country. Funds arrive in installments, and each installment is subject to progress being made through the guidelines of the program plan. Once the grant period reaches its initial end of two-year period, the Global Fund board will make an assessment of the progress made. If funds are being used adequately and progress is being made, the grant will be renewed for another three years, for the full five-year timeframe.<sup>6</sup>

### **Country Successes, Track Record**

As of December 1, 2008, 137 countries received 579 grants for a total of \$10.2 billion.<sup>7</sup> Out of the \$10.2 billion, the Global Fund has so far distributed \$6.8 billion to recipient countries. The Global Fund has greatly strengthened efforts against Tuberculosis, Malaria, and AIDS during its eight-year existence.

### **AIDS:**

The Global Fund has provided AIDS treatment for 2.3 million people. In addition to those who are presently on Anti-Retroviral (ARV) drugs, the Global Fund has also reached 79 million people with HIV counseling and testing. 537,000 HIV positive pregnant women have also been treated with prophylaxis for the Prevention of Mother to Child Transmission (PMTCT). While 3.7 million orphans were treated with basic care and support.<sup>8</sup> In Malawi, the Global Fund is the main financier of the national program against AIDS. Over \$170 million has been dispersed for HIV projects. The grant received by Malawi is being used in over 163 treatment sites. In Rwanda and Ethiopia, the Global Fund has disbursed \$112 million and \$290 million, respectively. The

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<sup>5</sup> Avert – The Global Fund to Fight AIDS, Tuberculosis, and Malaria  
(<http://www.avert.org/global-fund.htm>)

<sup>6</sup> Avert – The Global Fund to Fight AIDS, Tuberculosis, and Malaria  
(<http://www.avert.org/global-fund.htm>)

<sup>7</sup> Global Fund – Our Results  
(<http://www.theglobalfund.org/en/results/?lang=en>)

<sup>8</sup> Friends of the Global Fight Against AIDS, Tuberculosis, and Malaria

Fund has helped to provide drugs, infrastructure, clinics, and labs in these countries.<sup>9</sup> The Global Fund has provided treatment and other services for 9,500 teens in the Western Cape province of South Africa.

### **Tuberculosis**

The Global Fund has provided Tuberculosis treatment to 5.4 million people under the program of Directly-Observed Treatment, Short Course (DOTS).<sup>10</sup> Numerous high-burden tuberculosis countries have been able to increase tuberculosis detection levels from 45% to above 79%. There has also been a steady decline and lower prevalence rate of tuberculosis in affected countries. In October 2009, the Global Fund signed a \$40 million grant to treat tuberculosis patients in Nigeria.<sup>11</sup>

### **Malaria**

The Global Fund doled out 70 million insecticide-treated bed nets, to protect families against malaria. The Global Fund has also distributed more than 88 million Insecticide-Treated Nets, and continues to provide two-thirds of the international financing against malaria. In Rwanda, 50% of patient visits are cases related to malaria. There, the Global Fund interventions have led to a 50% decline in malaria cases. There has also been a 66% decline in child malaria deaths from 2005-2007. In Eritrea successful results have also been seen, with a 71% decline in malaria deaths from 2000-2006.<sup>12</sup> In October 2009 the Global Fund signed a malaria grant for Nigerians, for a total of \$285 million. This grant will provide funding for the country to treat 56 million malaria cases over the next two years using the artemisinin-based combination therapy (ACT). It will also fund Malaria Rapid Diagnostic tests.<sup>13</sup>

### ***What are the challenges facing the Global Fund?***

The Global Fund is an important step forward in addressing AIDS, Tuberculosis and Malaria. Two years ago, the board of the Fund, voted to triple the size of the Fund. By 2010 they decided to finance \$6-8 billion a year, rather than the previous \$2-3 billion. Donors, including a U.S. government representative, reaffirmed their commitment to financing quality proposals.

During the Global Fund's eighth round, which ended in fall 2008, poor countries requested bigger and bolder grants from the Fund. The triple demand increase of \$3 billion, along with the global financial crisis, has left little to no money for the new funding rounds. As a result, Round 9 has been delayed by six months. The delay is an attempt to close the \$5 million funding gap caused the triple demand increase.

It is merely a coincidence the Global Fund's funding gap is coming at the time of a global financial crisis, but the gap is not a result of the financial crisis. It is more the unwillingness of wealthy nations to meet their obligations as agreed in 2007. In addition, the global financial

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<sup>9</sup> Global Fund ARV Factsheet

([http://www.theglobalfund.org/documents/publications/factsheets/ARV\\_Factsheet\\_2008.pdf](http://www.theglobalfund.org/documents/publications/factsheets/ARV_Factsheet_2008.pdf))

<sup>10</sup> Global Fund – Results

(<http://www.theglobalfund.org/en/results/?lang=en>)

<sup>11</sup> Global Fund Press Release October 2009

<sup>12</sup> Global Fund – Early Evidence of Sustainable Impact on Malaria

(<http://www.theglobalfund.org/documents/publications/onepaggers/Malaria.pdf>)

<sup>13</sup> Global Fund Press Release October 2009

crisis may dissuade wealthy countries from contributing the recommended amount of aid to the Fund. This will further contribute to the Global Fund's financial shortfall, which will further jeopardize programs funded by the Fund and the lives that depend on it.

Due to the six-month delay of the 9<sup>th</sup> Round (closes in Fall 2009) the Global Fund was forced to cut grants (both existing and future), eliminate new funding rounds, and postpone advancement of effective grants.<sup>14</sup> Allan Gichigi, IRIN journalist stated, "*We are going to have to delay Round 10 of funding from 2010 to 2011 to replenish our funds. If the demand cannot be met, we will lose the tremendous momentum we have achieved in the fights against the disease.*"<sup>15</sup>

The goals of the Global Fund are admirable and they can save millions of lives, but significant barriers still exist today. In order to meet these challenges the G8 must scale up its funding and keep its commitment to fighting these diseases. The Global Fund cannot afford to cut programs due to a funding shortage. Many of the projects in developing countries are dependent on the Global Fund.

### ***What the United States Should Do***

The U.S. has a responsibility to lead by example. Historically, the trend is that if the U.S. donates one dollar, combined contributions from rich countries will double that. The U.S. contribution is one-third of the total funding gap (based on the country's economy). Paul Zeitz, executive director of Global AIDS Alliance stated,

*"The President's visit to Ghana is a perfect opportunity for him to reflect on the impact of his broken campaign promises on global AIDS and education, especially in Africa, and to honor those promises made to the American people, and to the world."*<sup>16</sup>

President Obama needs to fulfill his commitment and ensure that the U.S. provides its fair share to the Global Fund. If he does not fulfill his promises, the end result could be costly. According to Zeitz's estimations, AIDS treatment will not reach one million people, and 27 million people will be denied sexual disease transmission prevention programs.<sup>17</sup>

### ***What Action is Needed?***

In 2010 the U.S. will need to contribute \$2.7 billion. Furthermore, the U.S. Treasury Department needs to coordinate with the International Monetary Fund in order to remove harmful conditions attached with loans. These restrict governments in the Global South from investing in much needed education and health. This curtails how much these nations can spend on essential requirements needed to combat AIDS, tuberculosis, and malaria.

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<sup>14</sup>Health Gap  
( <http://www.healthgap.org/gfatm/20things.htm>)

<sup>15</sup> Health-e  
(<http://allafrica.com/stories/200910200372.html>)

<sup>16</sup>Global AIDS Alliance  
( <http://www.worldaidscampaign.org/en/Global-AIDS-Alliance-Press-Release-July-8-2009>)

<sup>17</sup> IBID

**Resources:**

[The Global Fund to fight AIDS, Tuberculosis and Malaria](#)

To fight HIV/AIDS, tuberculosis, and malaria in needy countries

[Advocacy to Control TB Internationally](#)

The Advocacy to Control Tuberculosis Internationally (ACTION) project is an international partnership of advocates working to mobilize resources to treat and prevent the spread of tuberculosis (TB), a global disease that kills one person every 20 seconds.

[Center for Health and Gender Equity \(CHANGE\)](#)

The CHANGE website offers in-depth analysis and criticism on U.S. HIV/AIDS policies, especially how they affect women.

[Health Global Access Project \(Health GAP\)](#)

The HealthGAP website offers tools for activists and resources on several HIV/AIDS-related campaigns.

[Infectious Diseases Society of America](#)

IDSA's purpose is to improve the health of individuals, communities, and society by promoting excellence in patient care, education, research, public health, and prevention relating to infectious diseases.

[RESULTS](#)

**RESULTS** is a nonprofit grassroots advocacy organization committed to creating the political will to end hunger and the worst aspects of poverty. RESULTS is committed to individuals exercising their personal and political power by lobbying elected officials for effective solutions and key policies that affect hunger and poverty.

[UNAIDS \(United Nations Special Programme on AIDS\)](#)

The UNAIDS website features the latest statistics and initiatives on HIV/AIDS worldwide.