



Independent observer  
of the Global Fund

## Global Fund Observer

NEWSLETTER

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For nearly a decade, China was one of the largest recipients of grants from the Global Fund for its fight against AIDS, TB and malaria. From 2003-2012, more than \$805 million was disbursed to support 15 grants, nearly half of which (46%) contributed to prevention, diagnosis and treatment campaigns for TB across the country.

#### 2. NEWS: Ukraine needs to find innovative ways to increase impact: Global Fund

Ukraine must find ways to maximize the impact of its Global Fund-supported HIV and TB programs with less money than expected and a longer implementation period.

#### 3. NEWS: Global Fund partners in eastern and southern Africa resolve to undertake robust country dialogue

Global Fund partners in eastern and southern Africa met recently in Windhoek, Namibia to discuss the Global Fund's new funding model and to examine how to make Global Fund investments achieve the greatest possible impact.

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## ARTICLES:

### 1. COMMENTARY: China after the Global Fund

*Funding from the 2017–2019 allocation period won't be available before 2018*

By Yanzhong Huang and Jia Ping

For nearly a decade, China was one of the largest recipients of grants from the Global Fund for its fight against AIDS, TB and malaria. From 2003-2012, more than \$805 million was disbursed to support 15 grants, nearly half of which (46%) contributed to prevention, diagnosis and treatment campaigns for TB across the country.

Once active in more than two-thirds of China's counties and districts, the Global Fund was the largest international health partner in the country. But the shift at the Fund towards targeting resources to poorer countries with higher burdens of disease, as well as the global trend that is pushing emerging economies to shoulder an ever larger responsibility for their own health budgets, has meant an end to the fruitful partnership between China and the Fund. Just two grants remain active: one in TB and one in malaria, working along the border with Myanmar, and China was not deemed eligible in 2014 to apply for future grants.

In [a paper](#) published on March 31 by the Council on Foreign Relations, the end of the relationship brings with it an inevitable scrutiny of what has been a deeply mixed legacy. While the Fund's money made important contributions to China's fight against the three diseases, and helped improve domestic health governance across ideational, institutional and policy domains, grant performance was uneven and there was low value for money. Most troubling were the unintended effects on civil society—building and enduring challenges to scaling-up and sustainability.

The mixed legacy has important implications for global health governance, the Fund's future financing model, and China's handling of its own public health challenges.

#### **Global Health Governance**

By tying a recipient country's international reputation and resource needs to external commitments, global health institutions can make a difference in the target country's public health status and domestic health governance.

To make the interventions effective, however, an integrated, system-wide approach is essential. Vertical, disease-specific interventions should be pursued only if they can have an impact on other programs, or if there is strong potential to reach scale. Single-minded efforts to shoehorn interventions into a one-size-fits-all approach, in relation to such things as civil society-building, may lead to unintended, undesirable outcomes that only

undermine the long-term effectiveness of those programs.

By trying to impose global health norms and practices on country-specific contexts, outside actors sometimes upset the delicate balance that is so necessary to achieve success. There is a need for flexibility in implementation at the national level so that national principles and values are not compromised.

But while a cookie-cutter approach will not recognize differences between countries, conversely, overemphasizing national ownership can leave room for forces that defeat the very purpose of international intervention. A politically savvy and productive strategy would entail improved communication between the target governments and global health institutions. To that end, international health institutions should learn to conduct effective health diplomacy and to negotiate with their counterparts in a manner that is simultaneously candid, nuanced, and practical. Lack of effective communication over the issue of civil society and the fund misuse in China, for example, contributed to a soured relationship between China and the Fund. In contrast, quiet and active diplomatic efforts from the Fund leadership led to positive response from China on working with the Fund to improve public health status in Africa.

### **The Global Fund's financing model**

The Global Fund's experience in China serves as a reference point for the work of the relatively young institution in other countries.

The transition to the new funding model (NFM) demonstrates that the old approach of "raising the money, spending it, proving the money's worth, and raising more money" incurs significant opportunity costs and, with its emphasis on quantifiable indicators, may create all kinds of moral hazards.

The Global Fund should place more emphasis on responding to a country's actual disease burden, ensuring program quality, and creating effective co-funding mechanisms. When dealing with recipient countries in the implementation stage, the Fund should take a more long-term view in applying its standards, values, and processes -- particularly when the recipient nation confronts serious capacity challenges.

Since the absence of country offices restricts its direct control of in-house monitoring and evaluation systems, the Fund should also train its portfolio managers not as bankers pulling the strings thousands of miles away, but as global health diplomats who have a keen understanding of each country's internal dynamics and are skilled at cutting deals efficiently. It is imperative that the Global Fund work closely with countries transitioning out of Fund projects to develop a coherent, flexible and gap-free exit strategy, to help them sustain and scale up what has been achieved, while encouraging them to serve as partners and donors in Global Fund investments in other countries.

Finally, it is time for the Global Fund to consider taking a broader mandate that goes beyond the three diseases in order to stay relevant in the context of shifting global burden of disease and growing momentum for universal health coverage.

### **China's Future**

The departure of the Global Fund signals China's transition from a recipient of foreign aid to full donor status. Rather than resist the calls to assume more international responsibilities, it is time for China to come up with a timetable for partnering with other emerging economies and multilateral aid agencies, to invest in the improvement of health status in other countries. Meanwhile, China should develop a comprehensive strategy to transition seamlessly from Fund-supported programs. The government will need to mobilize more domestic resources to fill the financing gap left by the Fund's departure, to establish a mechanism to sustain procurement and provision of pharmaceuticals, therapies and other services, and to undertake measures to integrate the disease-specific interventions into government-resourced universal health coverage. Throughout this process, the idea of the country coordination mechanism, bringing together government and non-government stakeholders with civil society and people living with disease, should be maintained.

This is particularly important to ensure that marginalized groups, affected communities and women are engaged in decision-making, and human rights are protected, in order to enhance democratization of public health services.

Indeed, the government should seriously consider building a quasi-CCM mechanism in the post-Fund era to advise policymakers, monitor the implementation of ongoing health projects, to encourage a more open, transparent governance structure, and find solutions to conflicts of interests among civil society organizations rather than take a divide and rule strategy. CSOs should be included in the discussion and development of such a strategy. Instead of being viewed as dispensable actors or trouble-makers, they should be treated as partners and catalysts for positive change in China's health governance. As the first step, the government should change its laws and regulations to give NGOs legal status and enable them to participate in public fundraising, advocacy, and service provision, as well as program monitoring and evaluation. In considering CSOs to be funded for service purchasing, China could borrow the Global Fund's technical review panel (TRP) model, and make the review process more professional, independent, and transparent. In doing so, China could increase its collaboration with other Fund recipient countries and stakeholders in order to achieve a more diversified, dynamic global health governance structure.

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[This article was first posted on GFO Live on 16 April 2014.]

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## **2. NEWS: Ukraine needs to find innovative ways to increase impact: Global Fund**

### *Fund calls for cuts in non-essential services*

The Global Fund expects Ukraine to do more with less.

As reported previously in GFO ([here](#) and [here](#)), Ukraine received a total allocation of \$184.6 million: \$137.3 million for HIV and \$47.3 million for TB. The entire allocation is for existing grants and must last through December 2017.

In its letter of 12 March informing Ukraine of its allocation under the new funding model (NFM), the Global Fund Secretariat acknowledged that the \$137.3 million for HIV was less than expected, and less than requested in September 2013 as part of its Phase II request. The letter said that Ukraine will need to find innovative ways to maximize impact.

Following a 25-26 March visit by Grant Management Division head Mark Edington, another letter established Fund expectations for a concept note that will “prioritize essential, high-impact activities, targeted to highest-prevalence regions.” The letter signed by Edington added that the Fund would like to see continued scale-up, “even if at a reduced rate.”

These objectives will require difficult choices, particularly in the current difficult climate of political instability, Edington acknowledged. “We expect [Ukraine] to seek efficiencies and cost reductions primarily from non-essential activities,” according to the letter, a copy of which was shared with Aidspace. “We encourage the CCM to reduce overheads, program administration and human resource costs at the PR and SR level, and to phase-out top ups and incentives in the health system.”

Ukraine's slate of prevention and harm-reduction activities that target the most vulnerable groups has contributed to a steady decline in HIV transmission among people who inject drugs: the group with the highest prevalence rate in the country. At the same time, government resources for treatment have increased; the number of people on government-funded anti-retroviral treatment in 2013 has more than tripled since 2009.

These gains cannot be sustained without a continued increase in government funding, Edington said, and additional resources committed to activities targeting men who have sex with men (MSM), sex workers and the prison population.

Edington also offered suggestions to enhance Ukraine's fight against TB, the spread of multi/extensively drug resistant TB (M/XDR-TB) in particular. Universal access to timely and quality diagnosis and adequate treatment of all forms of TB, while switching from a hospital-based to an ambulatory-based model of care, was first among his recommendations.

Future Global Fund support for TB activities in Ukraine is contingent on implementation of recommendations from the joint Global Fund-USAID-WHO mission conducted in May 2013, which called for a revision of the national TB treatment protocol, improvement of the models of TB care, and a restructuring of the governance of the national TB program. These recommendations must be implemented before Ukraine submits its concept note in June 2014.

Ukraine's notional allocation for HIV, as determined by the NFM formula, would have been \$31 million for 2014–2016. Over the past four years, Ukraine has received \$169 million. Applying the principle of graduated reductions, the Global Fund allocated \$137.3 million. This means that Ukraine was over-allocated by 435%. The graduated reductions represent an effort by the Global Fund to re-balance its portfolio so that ultimately all countries receive their fair share.."

[This article was first posted on GFO Live on 07 April 2014.]

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### **3. NEWS: Global Fund partners in eastern and southern Africa resolve to undertake robust country dialogue**

*Delegates commit to implement programs targeting all key affected and populations*

Global Fund partners in eastern and southern Africa have resolved to undertake robust country dialogues and advocate for an increase in domestic financing to boost the fight against HIV, tuberculosis and malaria.

This declaration was made at the eastern and southern Africa regional meeting on the Global Fund's new funding model (NFM), held between 6-9 April 2014 in Windhoek, Namibia. The objective of the meeting was to discuss the NFM and examine how to make Global Fund investments achieve the greatest possible impact.

The meeting was attended by more than 150 delegates from Angola, Botswana, Comoros, Eritrea, Lesotho, Madagascar, Malawi, Mauritius, Namibia, Rwanda, South Sudan and Swaziland.

The delegates, who were drawn from government, civil society and the private sector, also resolved to implement programs that target all key affected populations disproportionately affected by the three diseases and to ensure that human rights are addressed as a central tenet of program development, implementation and evaluation.

Participation of women and adolescents will also be a key pillar when designing programs

for the three diseases, the delegates resolved.

“Let us make efforts to talk to our governments so that they can increase the level of domestic finances invested in the fight against HIV, tuberculosis and malaria,” said Dr Richard Kamwi, Namibia’s Minister of Health and Social Services. “It is the best way to ensure sustainability of the gains we have made against these diseases in the last decade.”

Professor Sheila Tlou, Director of UNAIDS regional support team for eastern and southern Africa, urged the delegates to ensure that marginalized people not only get prevention and treatment but are also involved in decision-making.

“Key populations remain a sensitive topic in our continent, and we have not done enough to ensure access to health and social services to those who are marginalized. A special focus on young women and girls will pave the way to healthy new generations of young people that can positively transform the development of Africa,” Professor Tlou said.

She said that the Namibia workshop is a continuation of efforts that the Global Fund, UNAIDS, WHO and other partners have initiated to ensure that countries not only prepare successful concept note applications, but more importantly, seek resources for priority investments that will yield high sustainable impact.

Cynthia Mwase, regional manager for eastern and southern Africa at the Global Fund, said the meeting was organized to help Global Fund partners in the region to prepare to attain impact through the \$1.7 billion now available for the funding period.

“The new funding model integrates human rights and partnership into new grants, and also provides a strategic roadmap on how the region can remove the three diseases as threats to public health,” Mwase said.

Eastern and southern Africa is the region that is most affected by the HIV epidemic. Almost half of the global new HIV infections occurred in the region in 2012, according to UNAIDS. However, there has been remarkable progress over the years with HIV incidence declining by 43% between 2001 and 2012.

[This article was first posted on GFO Live on 22 April 2014.]

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**NEWS : [Global Fund Board approves \\$147.76 million in interim and renewal funding](#)**

A round-up of what is likely to be one of the last rounds of interim and renewal funding approvals by the Global Fund Board as countries transition into the new funding model (NFM).

**NEWS : [Global Fund releases comprehensive information on country allocations](#)**

The Global Fund has published an expansive database of country-specific information about allocations under the new funding model (NFM) for the 2014-2016 period.

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**We welcome suggestions for topics we could cover in GFO. If you have a suggestion, please send it to the Editor of GFO (see contact information below).**

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