

# The Global Fund to Fight Aids, Tuberculosis and Malaria

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## THE HISTORY OF THE GLOBAL FUND

The Global Fund was established in 2002 in response to the public health crisis produced by the impact of the three pandemics on developing countries at the start of the new millennium. In April 2001 the UN Secretary General Kofi Annan issued a «call to arms» and a few months later the world endorsed this call at the UN General Assembly Special Session on HIV/AIDS where the decision was taken to set up a global fund to finance the fight – initially against AIDS alone. The expediency of combining the combat against the three major communicable diseases was apparent, and the decision to include tuberculosis (TB) and malaria soon followed.

The spread of AIDS, TB and malaria is directly responsible for enormous burdens of death and disability in the developing world. The impact of these diseases produces measurable economic loss and in the worst affected countries also increases the risk of social disintegration and political instability. The effect of the pandemics is exponentially greater in lower-income countries than in wealthy nations, raising the barriers to economic stability and sustainable development.

Led by the work of WHO's Commission on Macroeconomics and Health, recognition was growing at the turn of the millennium that investment in health is a prerequisite for development. This perception helped shape the Millennium Development Goals (MDGs) and played a critical role in the decision to found the Global Fund, which represents the first serious attempt by the global community to provide universal access to treatment, prevention, care and support interventions for the three diseases.

The Global Fund was created to vastly accelerate the response to the pandemics by raising and disbursing large amounts of «additional» funds – i.e. neither redirected from other international aid agencies nor in place of domestic allocations – and thereby help achieve the MDGs. Its founders envisaged a new type of aid agency based on key innovations in the field of development and gave it a mandate to put in place «a simplified, rapid and innovative process with efficient and effective disbursement mechanisms, minimising transaction costs and operating in a transparent and accountable manner based on clearly defined responsibilities.»

The result was an innovative, demand-driven financing mechanism that stresses country ownership of disease control, broad partnerships, performance-based funding, and the direct engagement of communities affected by the three diseases in key decision-making and programme implementation. Since its inception the Global Fund has evolved into an effective, efficient, inclusive model that by the end of 2010 had enabled countries to save at least an estimated 6.5 million lives, greatly reduce disease burdens and strengthen health systems.

## HOW THE GLOBAL FUND WORKS

### The Global Fund partnership

Health and development initiatives have long recognised that effective multisectoral partnerships are fundamental to their success. Partnerships form the very basis of the Global Fund model, which is entirely reliant on partners to fund, plan, coordinate, implement and assist the programmes it finances.

In keeping with its principle of country ownership, the Global Fund does not engage in the preparation of grant proposals or programme implementation. It has no country offices and is one of the few organisations that truly allow countries to determine their own priorities, in that it is designed to support proven interventions as identified by the recipient countries rather than donors.

The success of the Global Fund model relies directly on the financial contributions of donors, the guidance and support of international development partners, and the programme management and implementation of in-country partners including governments, civil society organisations, academic institutions, private firms and populations affected by the three diseases. The Global Fund engages all sectors of this broad partnership at every level of the model – from the multi-stakeholder Board to the diverse membership of the country-level mechanisms which develop grant proposals – harnessing their respective strengths for a comprehensive response to the three diseases.

### Global Fund structures and actors

The core business of the Global Fund is to raise the vast increase in resources required to reverse the spread of AIDS, TB and malaria, channel those resources to areas of greatest need and manage the ensuing grants. The core business is handled by the **Secretariat** and its governing **Board**, an independent **Technical Review Panel** appointed by the Board to guarantee the integrity of the proposal review process, and **Local Fund Agents** – usually international accountancy firms – appointed by the Secretariat to verify and report on programme performance and financial accountability at the country level.

The **Secretariat** is responsible for day-to-day operations, including mobilising resources from the public and private sectors, managing grants, providing financial, legal and administrative support, and reporting information on the Global Fund's activities to the Board and the public. The Secretariat aspires to be as lean as possible: it is solely based in Geneva, and its operating expenses in 2010 were almost entirely covered by the interest earned on deposited donations.

The **Board** is responsible for governance, including establishing strategies and policies, making funding decisions and setting budgets. It also works to advocate and mobilise resources for the organisation. The Board is made up of 20 voting members, including representatives from donor and recipient governments, non-

government organisations, the private sector (including businesses and private foundations), and communities affected by the three diseases. Key international development partners – including WHO, UNAIDS and the World Bank – also participate.

Each country is responsible for deciding the strategies, priorities and programmes it wishes to implement, and for determining how much financing it requests from the Global Fund, which is a demand-driven financing mechanism. To date, the Global Fund has issued open calls for grant proposals but it is exploring other funding models, including the direct funding of national strategies.

Grant proposals are developed, submitted and the ensuing grants are supervised by **Country Coordinating Mechanisms**, which are the main partnership vehicle for the Global Fund in recipient countries. The Global Fund concept of country ownership entails multi-stakeholder engagement – not just high-level government or political support. Country Coordinating Mechanisms include people living with the focal diseases and representatives from all sectors: governments, nongovernment organisations, academic institutions, multilateral and bilateral development agencies and the private sector.

Programmes are implemented by **Principal Recipients** – in-country partners nominated by Country Coordinating Mechanisms. The Global Fund encourages »dual-track financing« or the nomination of more than one type of Principal Recipient per grant, as nongovernment and private groups can play an important role in supplementing public sector efforts and improving transparency.

Principal Recipients are legally responsible for the local implementation of a grant, overseeing sub-recipients and communicating with the Country Coordinating Mechanism on grant progress. The Principal Recipient also works with the Global Fund Secretariat to develop a grant agreement that sets programme targets. Over the course of the grant life span, the Principal Recipient requests disbursements based on demonstrated progress toward these targets. This performance-based system of grant-making is key to the Global Fund commitment to results.

### Results and impact

The substantial increase in resources dedicated to health through development assistance and other sources in the last eight years is changing the trajectory of AIDS, TB and malaria in developing countries. Much remains to be done, but there are signs of a dramatic turnaround in the fight against these devastating diseases. New HIV infections are declining in many of the countries most affected by the epidemic. More and more countries are in a position to target the elimination of malaria from their territories. The world is on course to halve TB mortality by 2015 in comparison with 1990.

Since its inception in 2002, the Global Fund has been a major engine driving this remarkable progress.

Soon after its founding, the Global Fund became one of the largest international financiers of programmes to combat HIV, TB and malaria. By the end of 2010 it had approved grant proposals totaling 21.7 billion US\$ for 150 countries – an unprecedented investment. It now provides approximately two-thirds of the international financing provided to fight TB and

malaria, and a fifth of international public financing against HIV. The Global Fund is also a major financier of health systems, approving an estimated 7.8 billion US\$ since its inception.

At the Global Fund's last replenishment conference donors pledged nearly 12 billion US\$ for the period between 2011–2013 – the largest single sum ever mobilised for a multilateral response in global health, and a clear signal of support for the organisation and the results achieved. But the total falls short of the lowest estimated demand from recipient countries for the period covered, so that the Global Fund will face some difficult decisions about which new programmes to support.

Programmes supported by the Global Fund are making an increasingly significant contribution to meeting the need for key services to fight the three diseases. By the end of 2010 they were providing antiretroviral therapy to 3 million people, had detected and treated 7.7 million cases of TB, and distributed 160 million insecticide-treated nests, saving at least an estimated 6.5 million lives. In 2009, the latest year with available data, Global Fund-supported programmes accounted for nearly half the total number of people receiving antiretroviral therapy and more than half of all TB cases treated.

Global Fund support has moved the world much closer to achieving the health-related MDGs – most obviously by increasing access to prevention and treatment to reduce HIV, TB and malaria mortality (Goal 6), but also by reducing under-5 mortality (Goal 4) and improving maternal health (Goal 5). There is evidence that achieving high malaria control coverage has been among the leading contributors to the reduction in child mortality, and a number of studies have shown that AIDS, TB and malaria are the leading non-obstetric causes of maternal deaths in Africa. Global Fund investments in health systems also support progress on the goals, as weak and fragmented health systems are one of the major barriers to achieving the MDGs. ■

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## Abstract

### DER GLOBALE FONDS ZUR BEKÄMPFUNG VON AIDS, TUBERKULOSE UND MALARIA

Der Globale Fonds ist eine einzigartige globale Partnerschaft zwischen Staat und Wirtschaft (Public/Private Partnership) sowie eine internationale Finanzinstitution, die sich der Erschließung und Verteilung zusätzlicher Finanzmittel zur Verhütung und Behandlung von HIV bzw. AIDS, Tuberkulose und Malaria verschrieben hat. Diese Partnerschaft zwischen Regierungen, Zivilgesellschaft, Privatwirtschaft und betroffenen Gemeinschaften stellt ein innovatives Konzept für die internationale Gesundheitsfinanzierung dar. Das Finanzierungsmodell des Globalen Fonds beruht zum einen auf dem Konzept der Verantwortung des jeweiligen Landes, und zum anderen auf einer leistungsabhängigen Finanzierung. Dies bedeutet, dass die Menschen in den betroffenen Ländern ihre Programme nach ihren eigenen Prioritäten selbst umsetzen, wobei der Globale Fonds unter der Voraussetzung, dass überprüfbare Ergebnisse erzielt werden, für eine Finanzierung sorgt.

Seit seiner Gründung im Jahre 2002 hat sich der Globale Fonds mit zugesagten Finanzmitteln in Höhe von 21,7 Mrd. US-Dollar für mehr als 600 Programme in 150 Ländern zum Haupt-Finanzier von Programmen zur Bekämpfung von AIDS, Tuberkulose und Malaria entwickelt (Stand: 31. Dezember 2010). Bisher konnten mit den vom Globalen Fonds geförderten Programmen 6,5 Millionen Menschenleben gerettet werden. Dies geschah durch AIDS-Therapien für 3 Millionen Menschen, Tuberkulose-Therapien für 7,7 Millionen Menschen und 160 Millionen insektizidbehandelte Mückenschutznetze zur Malariavorbeugung. Der Globale Fonds arbeitet eng mit anderen bilateralen und multilateralen Organisationen zusammen, um die bereits bestehenden Maßnahmen zur Bekämpfung dieser drei Krankheiten zu ergänzen.