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REPORT OF THE BRIEFING SESSION ON
THE GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS AND MALARIA

INTRODUCTION

1. The Global Fund to fight HIV/AIDS, TB and Malaria was set up in order to attract, manage, and disburse additional resources through a new partnership between the public sector and the private sector that would make a sustainable and significant contribution to the reduction of infections, illness and deaths, thereby mitigating the impact of HIV/AIDS, TB, and Malaria in countries in need, and contributing to poverty reduction as part of the Millennium Development Goals.
2. During the first and second rounds of the submission of proposals, WHO had provided support to countries to develop proposals for funding by the GFATM. The support would continue in the subsequent rounds in line with the resolution passed by African ministers of health at the World Health Assembly. Countries whose proposals were approved in the first round would soon begin to receive first installments of the funding. However, subsequent funding would depend on proper implementation of interventions contained in the proposals. Because of its experience and technical expertise in implementing programmes in the health sector, WHO would be a critical partner in supporting countries during implementation of the proposals so that the countries would continue to benefit from the GFATM.
3. During the Fifty-Fifth Session of the World Health Assembly, the African ministers of health had requested that a status report on the Global Fund be tabled at the fifty-second session of the WHO Regional Committee for Africa. The status report would aim to address the various issues raised by the ministers in the statement they made on the GFATM during the Fifty-fifth World Health Assembly.
4. In the light of the above, it was felt necessary to hold a special session on the GFATM during the fifty-second Regional Committee in order to brief the ministers on the support that WHO provided to countries to prepare proposals for the GFATM and to enable the Global Fund Secretariat to present a status report on the GFATM providing an update on the fiduciary arrangements being proposed for the management of the GFATM.

OBJECTIVE

5. The objective of the session was to enhance understanding among Member States of the status and operations of the Global Fund and the role of the WHO Regional Office in supporting countries.

EXPECTED RESULTS

6. The special session was expected to achieve the following results:
 - (a) Member States updated on the role played by the WHO Regional office in providing support to countries.
 - (b) Member States updated on the status of implementation of the GFATM.
 - (c) Eligibility and participation of Member States in both the Board Meetings and the Working Groups clarified.
 - (d) The fiduciary arrangements for the GFATM clarified.

PROCEEDINGS

7. The session was chaired by the Honourable Minister of Health of Cameroon and introduced by Dr E M. Samba, WHO Regional Director for Africa.

Presentation by Dr A.B. Kabore, Director Division of Communicable Disease Prevention and Control

8. Dr Kabore said that GFATM as a financial instrument offered a real opportunity for strengthening health systems and scaling up interventions to fight HIV/AIDS, TB and Malaria. The GFATM had made available substantial financial resources at country level. During the first round, WHO had provided support to countries in the development of proposals as a result of which the GFATM had committed, to 18 countries in Africa, funding amounting to US\$ 346 million over two years. Of that amount, US\$ 198 million was for HIV/AIDS programmes, US\$ 47 million was for Malaria, US\$ 41 million for TB and US\$ 60 million for integrated responses to HIV and TB. This had provided additional resources for programming in the response to these diseases.

9. Specific support provided by WHO was in the following areas:
 - (a) Sharing and dissemination of information on the GFATM in order to update all those concerned with country support on all issues relating to the GFATM. The Regional Office provided information to WHO country representatives on the notices for inviting proposals and the set deadlines.
 - (b) Holding of an intercountry consultative meeting on the GFATM to brief and update country participants, WHO staff of the regional programmes on Malaria, TB and HIV/AIDS as well as potential consultants on the GFATM. That meeting also provided a forum to share experiences on the first round of the GFATM. The recommendations of the meeting had contributed to the revision of the GFATM guidelines which were used in the second round.
 - (c) Provision of direct technical and financial assistance to countries during the first round. The direct country support was provided in terms of technical support by WHO regional office and country office staff as well as consultants recruited from outside WHO to provide specific assistance. In addition, financial assistance was provided in some cases to support local costs involved in country processes of proposal development. The provision of direct country support had continued in order to assist countries to meet the September 27 deadline for submission of proposals for the second round.

- (d) Provision of technical support, during both the first and second rounds, to countries in terms of desk review and preparation of comments on proposals developed by countries in order to improve the quality of proposals.

10. In providing the support, WHO committed substantial financial resources and time. However, the support from WHO needed to continue in the subsequent rounds and in the implementation of the approved proposals.

Presentation by Dr M. Lavollay of the GFATM Secretariat

11. The presentation given by the GFATM Secretariat focused on the following areas:

Grants approved in the first round

12. During the first round of the GFATM grants were approved for 37 countries globally with a commitment of US\$ 616 million. Long-term programmes were approved amounting to US\$ 1.6 billion over 5 years but funding was only committed for two years. The disbursement plan for the first round was progressing and the countries in category 1 had almost completed the clarifications that were requested by the technical review panel (TRP). For category 2 countries, ten applicants had yet to complete the clarifications for the TRP. The Global Fund Secretariat was to start preparing grant negotiation with the first few successful applicants within a few weeks. The first step was to secure key fiduciary partners at country level, i.e. the principal recipient (PR) and the local fund agent (LFA). In parallel with the grant negotiation preparations, the Secretariat would work to develop the disbursement mechanism, reporting requirements and other key elements of the fiduciary arrangements for the first round.

The Principal Recipient (PR) and Local Fund Agent (LFA)

13. For the implementation of projects, the Global Fund would rely on partners in the Country Coordinating Mechanisms (CCM). Since the CCM was not itself a legal entity, it would have to nominate one or more Principal Recipients among its members. These would be accountable and responsible to the Global Fund for implementation of approved proposals. About two-thirds of the approved applicants had already nominated one or more Principal Recipients. Most of them had nominated the ministry of health or other public sector bodies such as the ministry of finance as Principal Recipient.

14. Based on the decisions of the Board of the Global Fund in April and the priority for speedy disbursement, the Global Fund Secretariat had worked to identify Local Fund Agents (LFAs) which would act as the Global Fund representative at country level. Currently, the Global Fund Secretariat had confirmed Price Water House Coopers, KPMG and Crown Agents as Local Fund Agents. There was mutual agreement that most UN agencies were better suited to provide support to CCMs and PRs than to act as LFAs.

Financial disbursement

15. The Global Fund is a financial instrument and not an implementing partner and would provide results based funding and gradual disbursement of funds based on the performance of the country or the applicant. This result-based funding would be characterized by rapid release of funds to recipients. The first advance would be paid depending on the initial programmatic requirements which could amount to about a third of financial requirements for the first year. Subsequent disbursements of funding committed

within the two-year approved period would be determined based on both the programmatic milestones and resource needs, and on the programmatic and financial progress reports. After the two years, disbursements would be tied to evaluated indicators in terms of demonstrated results and impact

16. Important steps to be completed before the initial advance of funds for the approved proposals included the following:

- (a) CCM should provide additional data requested by the TRP.
- (b) CCM should nominate the Principal Recipient(s) and the GFATM should contract a LFA.
- (c) The Global Fund Secretariat and the LFA, in collaboration with other partners, should conduct an assessment of the financial and programmatic management, procurement and M7E systems of the PRs.
- (d) The Global Fund Secretariat, PRs, LFA and other partners should, as required, develop a detailed programme and budget for implementation.
- (e) The Global Fund Secretariat, the PRs and LFA should negotiate and sign a grant agreement.
- (f) The World Bank which is the trustee should transfer the first advance of funds.

Issues for discussion

Amount of funding available to the Global Fund

17. Delegates requested to know the amount of funds available to the Global Fund. It was clarified that the pledges amounted to a total of about US1.6 billion which was almost equivalent to the amount for the programmes approved for five years. The amount currently available Global Fund Secretariat was enough to meet the current commitments. The Fund would grow if it could demonstrate its ability to disburse the funds and countries could effectively use them.

Cost of proposal development

18. The development of proposals to the Global Fund was a costly exercise. The delegates were interested in knowing if the Global Fund could support proposal development. It was clarified that with the current rules of operation, the Global Fund would not be able to provide such support.

Criteria for approving proposals

19. The delegates questioned the criteria for approving the proposals requiring that countries with the largest disease burden be given priority if the Fund was to meet the purpose for which it was created.

The LFAs

20. The delegates had several questions relating to the LFAs. A clarification was demanded as to who pays the LFAs, what proportion of the Global Funds would go into supporting LFAs, and whether this should come from the country approved programme. Further, the capacity of LFAs to evaluate the programmatic elements of the proposals was questioned. Clarifications that had been provided on the LFAs were found to be inadequate and there was a need for further information from the Global Fund Secretariat to inform the delegates as to the correct position regarding how LFAs were to be paid as well

as the issue of their capability to conduct programmatic assessment of the progress of implementation of the approved proposals.

The process of approval of proposals

21. The delegates expressed serious concerns over the protracted process involved from the submission of proposals, their approval and then the release of funding. Due to the long process involved, none of the first round proposals that were approved in April this year had received any funding. The urgency for the release of funding was thus lost and the Global Fund was not meeting one main requirement for its creation, which was to provide a simple and rapid way of disbursing of funds. The delegates recommended that the labour-intensive process be simplified along the lines of the GAVI procedures.

Funding of NGOs

22. The delegates requested further clarification as to the funding of proposals from NGOs and whether NGO were no longer eligible to be funded outside the CCM. During the session, this issue seemed not to have been clarified to the satisfaction of the delegates.

Role of the ministers of health

23. In view of the stewardship role of the ministries of health, delegates were of the view that the ministers of health should play a more active role in the Board of the Global Fund. That, again, was an issue requiring further clarification.

CONCLUSION

24. The delegates were appreciative that the WHO Regional Office had organized a special session on the Global Fund to ensure that more clarifications could be given on the status and operation of the Fund. They were pleased to note the support that the Regional Office had provided and would continue to provide to countries in developing proposals as well as in implementing the proposals financed under the Global Fund. The session had helped clarify some of the issues but had left a number of issues still unclear. WHO would therefore seek those clarifications from the Global Fund and pass them on to the delegates.