

GLOBAL FUND OBSERVER (GFO) NEWSLETTER
A service of Aidspace.

Issue 7 – Tuesday 18 February 2003.

Note: For a formatted web version of this issue, see
www.aidspace.org/gfo/archives/newsletter/issue7.htm

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Much the most popular feature at the Aidspace web site is the new section that lets you “drill down” from country totals to see hundreds of background documents related to all Round 2 grants – including the Executive Summary of every approved and rejected proposal. (See www.aidspace.org/globalfund/grants.)

4. NEWS: Uganda Reverses its Position Regarding Global Fund Grant

As reported earlier in the GFO Discussion Forum, the Ugandan Ministry of Finance has reversed its earlier position that a Global Fund grant would not be allowed to lead to an increase in Uganda’s health expenditure.

5. COMMENTARY: Funding The Fund

Three commentators laud President Bush’s breakthrough increase in AIDS funding, though they urge that the five-year flow of money be “front-loaded,” and that far more of it go to the Global Fund than is currently planned. Now it’s Europe’s turn.

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A breakdown of the Round 2 grants by year, region, disease, implementing entity, form of expenditure, and more.

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1. REPORT: NGO Delegates Report on the January Board Meeting
by Philippa Lawson, board member
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[The following report provides a summary of key developments at the Global Fund’s 4th Board meeting, 29-31 January 2003, in Geneva. It was written by Philippa Lawson, board member, Communities Living with HIV/AIDS, TB, and Malaria delegation.]

Background

The Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) is a new mechanism to attract, manage and disburse additional resources through a new public-private partnership that will make a sustainable and significant contribution to the reduction of infections, illness and death, thereby

mitigating the impact caused by HIV/AIDS, tuberculosis and malaria in countries in need. The Fund is a financial instrument, not an implementing entity, and makes available and leverage additional financial resources to combat HIV/AIDS, tuberculosis and malaria. This report is a brief summary of 3 very long and intensive days for the 4th board meeting from the perspective of the 3 NGO delegations represented on the board – the “NGO Developed”, the “NGO Developing” (NGOs) and the “Communities living with HIV/AIDS, TB and Malaria” (Communities). More information can be found at www.globalfundatm.org

Dedication to Joseph Scheich

The meeting started with acknowledging Joseph Scheich’s death, which occurred a week prior. Joseph was a key member of the transitional working group (TWG) as an openly HIV positive individual, a member and previous director of the Global Network of People Living with HIV/AIDS (GNP+) and as an advisor on the Global Fund NGO Developed delegation. Joseph was also an honorary member of the Communities delegation, fighting for the last 10 years for the rights of people living with HIV/AIDS. Joseph invited, and mentored many of the NGO representatives currently involved with the Fund. Like the September death of Charles Roy, the alternate to Communities’ board member, Joseph’s death reminded the board of the reality that even having the privilege of access to anti-retroviral medications, like Charles and Joseph did, does not equal a cure to HIV/AIDS. Joseph’s and Charles’ are two of the estimated 6 million AIDS, TB and malaria related deaths that have occurred in the last year since the Global Fund’s founding. This report is dedicated to Joseph – in gratitude for his love, his commitment, and his passion -- to ensure that the Fund *will not be business as usual* and does make a difference to the lives of many of the millions of people living with HIV, TB and malaria. [For more on Joseph, see www.gnpplus.net/tribute.html – Editor.]

True Partnership – From Principle to Implementation

The issue of partnership was raised often. A key principle of GFATM is to base its work on programs that reflect national ownership, respect country-led formulation and implementation process and promote partnerships among all relevant players within the country and across all sectors of society. The Framework document states that NGOs are eligible to apply directly to the Fund, under the described situations. The NGO delegations stressed the importance of broadening and operationalizing partnerships beyond the usual UN, bilateral and governmental sectors to include NGOs and people living with the diseases on all levels, including as direct recipients to the funds (as per specific circumstances described in the Framework document), as supporters to the independent proposal review process, as partners to mobilize resources, as staff in the secretariat, and on the CCM level.

Country Coordinating Mechanisms (CCMs)

The Country Coordinating Mechanism (CCM) is a term used by the Fund to explain partnerships that either build on existing coordination mechanisms, and/or promote new and innovative partnerships where none exist. The Fund requires that the CCM include broad representation from governments, NGOs, civil society, multilateral and bilateral agencies, the private sector and people living with the diseases.

The effectiveness and importance of the CCM was discussed often throughout the 3 days and extensively during the pre-board committee meetings. In a short time, countries have worked hard on building and establishing CCMs. Though there are a few CCMs where NGOs and people living with HIV/AIDS (PLHIV) report they are involved in an effective manner, it was clear from the reports that CCMs function better in some countries than others. In the majority of countries, much improvement is needed to involve civil society more fully in the CCM process. The Governance committee presented a draft CCM paper that the board discussed. All agreed that technical assistance and guidance is needed to support a more effective and equitable CCM process, the spirit and principle of the paper. Several delegations felt that by requiring a certain percentage of NGOs, PLHIVs, faith based and other groups was too prescriptive to the countries. The NGOs, the Communities, the Foundations, the Private Sector and other delegations committed to providing TA [technical assistance] to their representative sector and the CCM in-country to help improve the process. As the Secretariat acknowledged, the CCM is one of the key 'process' issues that remains as a stumbling block to the creation of a funding mechanism that is new and different to existing mechanisms.

The NGO and Communities delegations acknowledged the CCM improvement over the last several months, yet identified much more is needed to ensure transparent and participatory CCM operations for effective inclusion, meaningful representation and parity of civil society in the CCM process. CCM assessment, monitoring and evaluation guidelines for the CCM, the Technical Review Panel (TRP) and the secretariat are needed. The NGOs and Communities delegations offered assistance in developing much needed guidelines for CCMs. Without setting minimum standards to guide CCMs and also to enable the TRP to evaluate the CCMs, nothing will change. Ensuring civil society involvement in decision-making at every stage is not just about the principles of the Fund, but will impact on decisions that effect the disbursements to civil society. An example of impact is the Principal Recipient (PR) role. As it stands, in most countries PRs are being selected as government agencies, to disburse and support NGOs and CBOs that do not have the experience and capacity. Yet, other existing organizations could play the PR role. Some NGOs believe that governments are trying to maintain control over resources of the Fund, vs. truly being a partnership. It is important to ensure that there is full representation and participation of civil society in CCMs from the very beginning.

Update on Round 1 and Round 2 Proposals

By the first week of February, the majority of Round 1 approved agreements will be signed, with program implementation beginning. Thanks to the new Fund's staff, communication and guidance has improved so that countries are being provided more support to start their important activities.

The Round 2 Proposal process was and will continue to be a much clearer and shorter process, due to the Fund now having more staff, clearer guidelines and more experience. As of 27 September 2002, the Fund received 177 proposals from 100 countries. Of these 97 were CCM applications, with the balance from NGOs and regional organizations. The majority of the NGO proposals were not eligible for not meeting the Fund's criteria. The proposals not approved (those in Categories 3 and 4) will be encouraged to revise their proposal and resubmit for Round 3 proposal deadline.

The Board approved the TRP's recommendations for Categories 1 and 2 -- 98 components (HIV, TB, malaria and "integrated" program is each considered a component) in 61 countries for a total value of USD 866 million over 2 years. Breaking out the components, 43% will be targeted towards HIV/AIDS, 29% targeted to malaria, 26% targeted towards TB and 1% targeted to "integrated" interventions. Due to the higher costs, HIV/AIDS interventions will utilize 57% of the Fund's resources. The majority of the Round 2 funds will be allocated to governments to distribute among the different implementing partners including NGOs (approx. 24%), private sector (4%), faith-based organizations (16%), academic/educational orgs, people living with the disease (approx. 3%), community based organizations (2%) and other (4%).

In regards to combined Round 1 and Round 2 approved proposals, 60% of the approved funds will go towards Africa, 15% towards Eastern Europe, 12% to Latin America and the Caribbean, 12% towards South East Asia, 6% to the Western Pacific and 5% to Eastern Mediterranean. In regards to the type of interventions approved, much of the funds will be utilized for drugs (30%) and commodities/products (26%).

The NGO and Communities delegations thanked the secretariat for doing an excellent job in obtaining the additionally requested information in regards to HIV treatment activities proposed. The secretariat provided a breakdown of estimated number of people to receive anti-retroviral (ARV) treatment from Round 1 and 2. The NGO and Communities delegations, the TRP chairs, and the secretariat all agreed that the scale-up of antiretroviral treatment being proposed in Round 1 and 2 is extremely disappointing and demonstrates the need to encourage applicants and grantees for technical assistance to be able to scale-up. Many of the Round 1 and Round 2 proposals estimate that they will cover ARV treatment for only 100 - 300 people living with HIV in the first and second year -- e.g. Zimbabwe 100 for Year 1; and 500 for Year 2; Ukraine: 100 people for Year 1 and 300 for Year 2; Cambodia: 350 for Yr. 1 and 700, Yr 2; Dominican Republic: 500 for Yr. 1 and 1,000, Yr. 2; El Salvador: 350 for Yr. 1 and 447, Yr. 2; Togo: 300 for Yr. 1; Mongolia: 5 for Yr. 1 and 2; Nepal: 0 for Yr. 1 and 250, Yr. 2; Nicaragua :100 for Yr. 1 and 130 Yr. 2.

The Communities commented that all partners of the Fund are not doing enough to ensure that proposals and programs assist in scaling up, so one of the goals– to improve the quality and length of lives of the people living with HIV/AIDS – is addressed. HIV treatment and the reality of the millions of people dying of AIDS each year was a key catalyst to the Fund's inception. Currently, it is estimated that 5 – 6 million people need ARV treatment, yet only 188,744 people are estimated to receive HIV treatment through Round 1 and 2. Clearer guidelines and technical assistance for Round 3 proposals will include encouraging applicants to receive assistance for scaling up HIV treatment.

The NGOs, Communities and other delegations stressed the importance of continuing transparency and accountability in all matters of the Fund, including program implementation. As decided at the April board meeting, the approved proposals will be provided on the website. Plus, the proposal guidelines, application forms, lessons learnt, technical assistance contacts and other information will be provided in English, French, Spanish and other languages on the website.

Resource Mobilization: Number 1 Priority

At the close of its fourth Board meeting, financial statements made clear that the Global Fund lacks resources to approve a third round of grants in October 2003. Though Round 3 proposal applications will be requested, currently the Fund does not have enough money to approve additional proposals. Mobilizing additional resources is the priority of all involved with Fund. There was much discussion in how many billions of dollars was needed for years 2003 – 2004. The NGO delegations submitted that the Fund must utilize a target of \$7.9 billion for 2003 – 2004 and committed to being an active partner to raising funds. The French delegation proposed additional resource mobilization strategies including requesting “the private sector to reaffirm and give concrete expression to its involvement in the Fund's financing.” It was emphasized that though it is the duties of the Fund's Executive Director, the Chair and Vice-chair to raise additional resources, the Fund's success will require additional and greater commitments from all partners including donor and recipient countries, private sector, foundations, NGOs and individuals, including individuals living with one or more of 3 diseases – HIV/AIDS, TB and malaria.

It was agreed that no date be fixed for Round 4 because of the uncertainty surrounding the future resources. NGO and Communities delegations called for a clear message, leadership and action be given by the new chair on securing additional resources, so that hope will be given to the millions of people who suffer under the 3 diseases.

New leadership of the Board

The positions of Chair and Vice Chair came up for re-election due to terms ending. The Board elected Tommy Thompson, US Secretary of Health and Human Services, as its Chair. He succeeds Dr. Chrispus Kiyonga of Uganda. Dr. Suwit Wibulpolprasert, Deputy Permanent Secretary for the Thailand Ministry of Public Health, was elected as Vice Chair. He succeeds Mr. Seiji Morimoto of the Ministry of Foreign Affairs in Japan. Dr. Kiyonga and Mr. Morimoto were thanked for their efforts in leading the Global Fund during the transitional working group and its first year. Both will retain their seats on the Board.

The NGO Developed delegation announced the end of the 1-year terms of Christoph Benn, board member, and Peter Poore, alternate. A call for applicants was issued in December. From the numerous excellent candidates, three NGO board delegates were chosen to begin their term on 31 January 2003: They are:

- NGO Member from a Developed Country (2-year term of office): H el ene Rossert, MD MPH (hrossert@aides.org)
- NGO Alternate from a Developed Country (1-year term of office): Massimo Barra (mbarra@villamaraini.it)
- Alternate for Communities living with HIV/TB/Malaria (2-year term of office): Rodrigo Pascal (rpascal@vivopositivo.org)

Christoph Benn and Peter Poore were thanked for their enormous commitment, time and dedication to the first year of the Global Fund. Both plan to continue to be involved on a local level in-country and as advisors to the board of the Global Fund.

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2. STATEMENT on the Role of NGOs

by Milly Katana, board member

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[The following statement on “Strengthening Partnerships” was made at the January Board meeting by Milly Katana, board member representing South-NGOs, on behalf of the two NGO delegations and the Communities Living with HIV/TB/Malaria delegation.]

The issue of partnership has been raised here at the meeting on numerous occasions. And for good reason. It is at the core of our credo of “doing business differently”.

The Global Fund’s Framework itself clearly states that *“the Fund will work with a country coordination and partnership mechanism that should include broad representation from governments, NGOs, civil society, multilateral and bilateral agencies and the private sector”* (Framework Document Section VI.B.1). It also states that NGOs are eligible to apply directly.

We feel it necessary again to make our position very clear to everyone here – partnership is a principle, and this principle needs to be operationalized, particularly at the CCM level and with NGOs directly. This is primarily about composition and inclusion. We will continue to promote and work for this principle, in very real terms, directly with the Board, its committee structures and its Secretariat – as long as it takes – because it is a new way of doing business. There are some clear priority actions that we believe can help drive this process forward.

1. Partnerships with the NGO sector: The Fund needs to broaden its partnerships beyond the UN agencies and bi-laterals to include the NGO sector. This has been acknowledged in the documentation and we look to the Fund to work with us to identify how this can be operationalized. This includes a review of how NGO proposals are assessed and ensure that they are not unnecessarily screened out prior to the review by the TRP.
2. Leading practice: We welcome the recommendation to capture leading examples of genuine partnership models. This can serve to promote the benefits of real partnerships in our collective response.
3. Guidelines: We continue to believe that clear guidelines are a key to our efforts. Without them, CCMs are sailing into an open sea without the benefit of a compass. We believe that the Round 3 Call for Proposals desperately require guidelines that address CCM composition and inclusion. Although the Governance and Partnership’s Committee recommendations require fine-tuning, we remain inspired by many of the new and innovative suggestions for such clarity.
4. Capacity building: It is clear to us that building the capacity of NGOs and other civil society organizations to fully participate in the CCM is an essential element. NGOs themselves need to take a lead, particularly by facilitating learning from those who are now working in partnership within CCMs. However, this will require an investment. We can not expect that this will happen on its own. We look to work with the Secretariat, the multilateral and bilateral agencies to assist us in these efforts.
5. CCM monitoring: Transparency and effectiveness of CCMs is a priority. Ensuring that the monitoring mechanisms include an element of monitoring the evolving partnership models will be a challenge, but we are convinced that the commitments to partnerships at the country level need to be verified. We believe that this will serve to strengthen the implementation of the country-coordinated response.

It is now time to act with an unequivocal determination that things will be different. That the Fund really does mean what it says when we talk about partnership. We will continue to refer to the Fund's Framework Document as we work with the Fund's structures to provide guidance on how to achieve true partnership on the issues we have raised today. Simply put, we can not afford to delay any longer.

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3. FROM THE GFO EDITOR
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- The definitive list of documents on the Global Fund provided at www.aidspace.org/globalfund is regularly added to. The list now shows how many times each document has been downloaded, and highlights the ten most popular downloads.
- Within two days of being posted, Aidspace's "Report: Proposals Submitted to and Grants Approved by the Global Fund" became the most popular download ever. This document, available at www.aidspace.org/globalfund/grants, provides a one-line summary of grant data for each country. You can then click on any country to see a one-page Data Sheet for that country. Then, within that Data Sheet, you can click on background documents regarding each Round 2 approved proposal, such as the full text of the proposal, TRP comments on the proposal, and more. For Round 2 rejected proposals, the Executive Summary of the proposal is also provided. This extensive body of information was posted in part to enable people to learn about proposals submitted from their own country (for instance, each proposal submitted by a CCM contains the full composition of the membership of that CCM). But it also will help people who will be developing Round 3 proposals to see the full text of, and TRP comments on, proposals from all parts of the world that succeeded in Round 2.
- For Round 3, the Call for Proposals will be in March 2003, the TRP Review will be in July, and board approvals will be in October. More information on the timing and procedures for Round 3 will be made available in the GFO Newsletter as soon as it is available.
- In his opening address at the Board meeting (see www.aidspace.org/gfo/docs/gfo52.htm), Executive Director Richard Feachem said something that bears repetition here: "I thank the NGO and activist communities. I did not know them well before taking this job. I have come to be their biggest fan. They are a major reason why the Global Fund exists. Their voice is clear, consistent and honest. They organize their delegations to this Board better than anyone else. And they have been a constant support to the work of the Global Fund. Constant support does not mean telling us things that we want to hear or patting us on the back. Constant support means honest and constructive comments and activity focused on getting the job done."
- The GFO Newsletter now has 2,700 subscribers in 135 countries, including members of at least 60 CCMs.

Bernard Rivers (rivers@aidspan.org)

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4. NEWS: Uganda Reverses its Position Regarding Global Fund Grant
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[In Issue 2 of the GFO Newsletter (www.aidspace.org/gfo/archives/newsletter/issue2.htm), GFO reported that the Ugandan Ministry of Finance had ruled that an approved \$52 million Global Fund grant from Round 1 will not be allowed to lead to an increase in Uganda's health expenditure. GFO noted that this development may provide an early warning of problems that will also arise with other countries. As per the following posting by the Kaiser Daily HIV/AIDS Digest, Uganda has now reversed its position. This news was reported earlier in the GFO Discussion Forum.]

Ugandan Government Agrees to Increase Health Spending Using Global Fund Grant

In a "dramatic policy U-turn," the Ugandan government has agreed to increase health sector spending with money from the Global Fund to Fight AIDS, Tuberculosis and Malaria, a move that will increase the country's resources devoted to health care, including HIV/AIDS, the Lancet reports. Initially, the Ugandan Ministry of Finance had decided to use the three-year, \$52 million grant from the fund toward public spending on health care, while reducing resources for health from other sources to maintain a predetermined expenditure ceiling. However, according to the Lancet, the Minister of Finance recently indicated to the Minister of Health that he had revised his position, so the Global Fund grant would supplement the predetermined health budget. The government's "change of heart appears to be the result of local and international pressure," after a Lancet story in October 2002 brought "wider attention" to the government's position, the Lancet reports. In addition, an article in the Global Fund Observer, a free, e-mail-based newsletter on the Global Fund, reported that the Ministry of Finance position was an "unanticipated headache" that might arise with other countries and quoted Richard Feachem, the fund's executive director, as saying that "the use of our money to save somebody else's (money) -- that's completely not allowed." Uganda was at risk of losing the fund's grant altogether if it insisted on maintaining the health budget limits, the Lancet reports. Of the \$52 million, \$21 million will be used to fight HIV/AIDS by purchasing antiretroviral drugs and improving the country's medical infrastructure. The medications will be distributed free of charge to approximately 2,000 HIV/AIDS patients, as well as to medical practitioners who have been accidentally infected with HIV during their work. Educational and research institutions, including a Kampala-based AIDS treatment and training center for Africa, will also receive drug donations purchased with the fund money. The \$21 million for HIV/AIDS is expected by July 2003, while another \$14.1 for malaria and tuberculosis may arrive in the next fiscal year (Wendo, Lancet, 1/24).

[Reprinted from www.kaisernetwork.org/daily_reports/rep_index.cfm?DR_ID=15670]

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5. COMMENTARY: Funding The Fund

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In his State of the Union address on 28 January, US President George Bush made a dramatic commitment to provide \$10 billion of new funding for AIDS over the years 2004-2008, in addition to the \$5 billion of expenditure already projected for that period.

Almost completely unreported was the fact that activists and NGOs in Washington DC had been working assiduously over the previous few months to persuade the President to announce, in January, a "Presidential AIDS Initiative" (see, for instance, www.healthgap.org/PAI.html). This, under a different name, is exactly what he did.

Below, we reprint excerpts from three articles that evaluate President Bush's initiative, and that comment on the implications for the Global Fund.

Lone Rangers No Use in AIDS War

by Jeffrey Sachs, in an article in Business Day (South Africa), 5 February 2003

President George Bush made a breakthrough in last week's state of the union address by pledging \$15bn of US support over the next five years to fight AIDS in Africa and the Caribbean. [...]

The US commitment to increase its spending by \$10bn is the first time that an appropriate level of financial resources has been put into the battle by either the US or Europe. But disappointment comes in the fine print. The US, as is its wont these days, has decided to go it alone. The new programme is designed to be run by US agencies rather than going through the Global Fund to Fight AIDS, TB, and Malaria, the international initiative that is best placed by far to achieve the global goals of curbing the three pandemic diseases.

Of the new US funding, only \$1bn over five years is to go through the Global Fund. It is now up to European nations to ensure success in the scaled-up campaign against the killer diseases. They could do so by matching the US financial commitment, and pulling the US back into the fold within the Global Fund.

As a recent convert to the war on AIDS, the US administration has latched on to a simplistic vision of what to do, based on the example of a single country -- Uganda. It knows little of the measures in place in different parts of the world, and has not recognised that each country needs to shape the best local response. It is here that the Global Fund plays an important role.

The fund is organised as a consortium of donors and recipient countries, civil society and business. It is set up to encourage rigorous and sensible plans that meet local needs. Specifically, the fund invites the leading stakeholders within each recipient country to prepare a unified national plan.

If this is approved by the fund, it is supported by a single pool of unified financing. To ensure results, the fund insists on a technical review by an expert panel as well as an extensive system of monitoring, evaluation and audits once a programme starts.

The fund builds on an important recent insight of the European donor agencies, that support is most effective when the donors pool their resources to support a single coherent strategy -- known as a sector-wide approach.

Otherwise, each country has to grapple with 20 or more separate aid agencies, each with its own quirks, politics, reporting requirements and tied aid.

The US plan would undermine a sector-wide approach by pushing AIDS control back to a scramble of individual donor projects.

In just one year of operation, the fund has energised the fight against AIDS, tuberculosis and malaria all over the world.

Of the 14 countries targeted by the new US effort, 13 are already receiving Global Fund support, a point overlooked in the US initiative. Only last Friday, the fund approved another \$866m for programmes across 60 countries.

The US effort is a bold part, but only a part, of the total financing needs. Its limits are implicit in the fact that it is directed only at AIDS (not malaria and TB), and only at 14 countries. The Global Fund has said it will require new donor support of about \$7bn this year and next to meet the needs of the high-quality proposals that it is considering.

A reasonable financing framework is clear. Europe should match the US initiative with its own \$3bn a year, while Japan and other donors should contribute at least \$1bn a year in addition. That would make a total of at least \$7bn a year during 2003 and 2004.

Half of that should be devoted to the Global Fund, and the other half spent on programmes that would bolster, rather than undermine, the Global Fund.

Silence from Europe at this moment would be deadly for the Global Fund. If the US is the only country to put up large new sums for the war against AIDS, then it will be a US programme.

On the other hand, with a bold European response to Bush's initiative, the transatlantic alliance -- under great strain over Iraq -- would prove to the world that it continues its historic commitments to freedom and human betterment. Impoverished and dying people around the world await a clarion call from the US and Europe together.

[Jeffrey Sachs is Director of the Earth Institute at Columbia University, and Chairman of the WHO's Commission on Macroeconomics and Health]

Responding to President Bush's State of the Union address

by Stephen Lewis, in a speech in Johannesburg, South Africa, 29 January 2003

[...] The President's announcement is a significant announcement. It gives leverage to activists everywhere to keep the pressure on. It transforms the response; it opens the floodgates of hope.

Most important, it issues a challenge to every other member of the G7 -- the UK, France, Germany, Japan, Italy and Canada -- to follow suit. The international financial delinquency that has haunted the response to AIDS in Africa is hardly that of the United States alone; it extends, without exception, to all the wealthy donor nations.

But the G7 carries the moral burden. The next G7 Summit is in France in June. Between now and then, every single member must announce its contribution to the struggle against AIDS overall, and to the Global Fund in particular. The Summit itself should initiate the most far-reaching, imaginative plan of action to confront this communicable scourge that the world has ever seen. [...]

[Stephen Lewis is the UN Secretary-General's Special Envoy for HIV/AIDS in Africa]

Of Aid and AIDS

by John Gershman, in an article in Foreign Policy in Focus, February 5, 2003

Of all the policy proposals in his State of the Union address, perhaps the most surprising -- and the one for which President Bush has received the most kudos -- was his announcement that the administration will propose \$15 billion over five years to combat HIV/AIDS abroad. The proposal marks a significant departure for a Republican administration, and is widely recognized as a positive step. The initiative appears driven by a combination of pressure from activists outside the administration, support by administration officials like Secretary of State Colin Powell, National Security Adviser Condoleezza Rice, and Senate Majority Leader Bill Frist, and the administration's need to be seen as promoting something that is of concern to African-American advocacy organizations in the aftermath of the Trent Lott fiasco.

While generally viewing the proposal positively, many AIDS activists and experts are still waiting to see whether the administration will actually be able to wrestle the money away from a less enthusiastic Republican-controlled House of Representatives. Furthermore, they have expressed concern that even in this forward-looking proposal the Bush administration has slighted multilateral efforts to combat HIV/AIDS -- particularly the Global Fund to Fight AIDS, Tuberculosis, and Malaria -- in favor of a renewed emphasis on bilateral initiatives. Only \$1 billion of the \$15 billion total is scheduled to be channeled to the Global Fund. [...]

At the Global Fund's recent board meeting, executive director Richard Feachem noted that the Global Fund needs \$6.3 billion in 2003 and 2004 alone and that so far \$1.2 billion has been pledged for that time period. [...]

AIDS activists and experts note that the Bush plan back loads a significant chunk of the \$15 billion into the end of the five year period. (For example, only \$2 billion is allocated for fiscal year 2004). This delay is costly in terms of lives lost and greater expenditures later to treat people who might be prevented from contracting HIV today. "The current situation requires a substantial front-loaded capital investment to scale up existing efforts," said Prof. Richard Feachem, executive director of the Global Fund. "The programs are ready. Any delay now will be measured by millions of lives lost and billions of dollars of additional cost to later respond to the expanded epidemics." [...]

The Global Fund has already demonstrated capacity, is scaling up existing effective programs, and has brought together governments, civil society organizations, and the private sector. Unfortunately

even when it wants to do a good thing, the Bush administration appears unwilling to surrender its unilateralist impulses.

[John Gershman is Asia/Pacific editor for Foreign Policy in Focus]

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6. ANALYSIS: A breakdown of the Round 2 grants
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The following data are obtained primarily from a Secretariat paper to the Board entitled "Report of the Secretariat and the Technical Review Panel on Round 2 Proposals" (Revision 1) and a Secretariat slide show entitled "Summary of Key Findings from Round Two", both dated January 2003.

Regional split of proposals received in Round 2:
(in dollars to be spent over 5 years; 100% = \$5.1 b.)

- Africa: . . . 58%
- S.E. Asia: . 12%
- Americas: . . . 13%
- Eastern Med. 6%
- Europe: . . . 5%
- West Pacific 5%
- Global: . . . 1%

Disease component split of proposals received in Round 2:
(in dollars to be spent over 5 years; 100% = \$5.1 b.)

- HIV/AIDS: . 59%
- Malaria: . . . 23%
- TB: 11%
- HIV/TB: . . 7%
- Integrated: <1%

Source of application of proposals received in Round 2:
(in dollars to be spent over 5 years; 100% = \$5.1 b.)

- CCM: 89%
- Regional org: 6%
- NGO: 3%
- Sub CCM: . . 2%
- Regional CCM: <1%
- Other: . . . <1%

Outcome of the review process:
(in dollars to be spent over 5 years; 100% = \$5.1 b.)

- Approved (Category 1): 4%
- Approved (Category 2): 35%
- Rejected (Category 3): 55%
- Rejected (Category 4): 6%

Definitions:

- Approved (Category 1): Approved proposal requiring no or minor modifications, which should easily be answered within 6 weeks and given the final approval by the TRP Chair and Co-Chair.

- Approved (Category 2): Approved proposal provided clarifications are met within a limited timeframe (6 weeks for the applicant to respond, at most 6 months to obtain the final TRP approval should further clarifications be requested). The primary reviewer, secondary reviewer as well as TRP Chair and/or Co-Chair need to give final approval.
- Rejected (Category 3): Not recommended in its present form but strongly encouraged to re-submit.
- Rejected (Category 4): Not recommended for funding.

Cost of approved proposals:

- Year 1: \$430 m.
- Years 1-2: \$866 m.
- Years 1-3: \$1,276 m.
- Years 1-4: \$1,651 m.
- Years 1-5: \$2,051 m.

Regional split of proposals approved in Round 2:
(in dollars to be spent over 2 years; 100% = \$866 m.)

- Africa: . . 61%
- S.E. Asia: . 9%
- Americas: . 9%
- Eastern Med. 8%
- Europe: . . 9%
- West Pacific 4%

Disease component split of proposals approved in Round 2:
(in dollars to be spent over 2 years; 100% = \$866 m.)

- HIV/AIDS: . 57%
- Malaria: . 28%
- TB: 14%
- HIV/TB: . . 1%
- Integrated: <1%

Expenditure split of proposals approved in Round 2:
(in dollars to be spent over 5 years; 100% = \$2,051 m.)

- Drugs: 30%
- Commodities & products: 26%
- Training & planning: . 11%
- Human resources: . . . 9%
- Infrastructure & equip.: 9%
- Administrative costs: 6%
- Monitoring & eval'n.: 5%
- Other: 4%

Distribution split among implementing partners for proposals approved in Round 2:
(in dollars to be spent over 5 years; 100% = \$2,051 m.)

- Government: 54%
- NGO: 23%
- Faith-based orgs: 18%

- Private sector: 5%
- Academic/educ. orgs: 4%
- People living with HIV/TB/malaria: 3%
- Community-based orgs: 3%
- Other: 4%

Antiretroviral recipients in developing countries:

- Currently:
 - Sub-Saharan Africa: . . . 50,000
 - All other dev. Countries: 250,000
 - Total: 300,000
- Supported by Round 1 grants, by end of 5 years:
 - Sub-Saharan Africa: . . . 80,000
 - All other dev. Countries: 140,000
 - Total: 220,000
- Supported by Round 2 grants, by end of 5 years:
 - Sub-Saharan Africa: . . . 190,000
 - All other dev. Countries: 80,000
 - Total: 270,000
- Total:
 - Sub-Saharan Africa: . . . 320,000
 - All other dev. Countries: 470,000
 - Total: 790,000

Antiretroviral recipients from Round 2 grants by end of 5 years (or earlier, in some cases):

- Armenia 30
- Benin 2,000
- Botswana 20,000
- Bulgaria 200
- Burkina Faso 3,600
- Cambodia 3,000
- Central African Rep. 5,000
- Cote D'Ivoire 27,000
- Cuba 1,500
- Dominican Republic 6,000
- Ecuador 1,659
- El Salvador 447
- Estonia 500
- Ethiopia 12,000
- Georgia 130
- Guinea 4,358
- India 6,000
- Iran 100
- Jordan 30
- Kazakhstan 450
- Kenya 20,387
- Kyrgyzstan 100
- Lesotho 25,000
- Liberia 1,500
- Mongolia 5
- Mozambique 31,000

- Namibia 26,735
- Nepal 3,000
- Nicaragua 390
- Peru 9,000
- Swaziland 6,750
- Thailand 48,385
- Togo 1,500

- Total: 267,756

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END OF NEWSLETTER

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This is an issue of the GLOBAL FUND OBSERVER (GFO) NEWSLETTER.

The GFO NEWSLETTER is an independent source of news, analysis and commentary about the Global Fund to Fight AIDS, TB and Malaria (www.globalfundatm.org). The GFO Newsletter is emailed to subscribers about twice a month. It is closely linked to the GFO DISCUSSION FORUM (see below).

GFO has an Editorial Advisory Board initially comprising ICASO, GNP+ and REDLA+ (the three organizations designated as Communications Focal Points within the Global Fund's NGO board delegations); plus Health & Development Networks (founder of the Break-The-Silence listserv, which originally covered the Global Fund); and the International HIV/AIDS Alliance. GFO is currently provided in English only. It is hoped later to provide it in additional languages.

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