



Independent observer
of the Global Fund

REACTIONS TO RECENT EVENTS AT THE GLOBAL FUND

The resignation of Michel Kazatchkine as Executive Director of the Global Fund, and the appointment of Gabriel Jaramillo to a one-year term as General Manager, has generated considerable comment in the media and in the blogosphere about the future of the Fund. This article provides a sampling of these comments.

Commenting in the journal [Nature](#) on 1 February, Laurie Garrett, senior fellow for global health at the (US) Council on Foreign Relations, said that “this is a crucial, dangerous moment for global health.” Garrett quoted from Michel Kazatchkine’s resignation letter, as follows:

“Today, the Global Fund stands at a cross-road. In the international political economy, power-balances are shifting and new alignments of countries and decision-making institutions are emerging or will have to be developed to achieve global goals. Within the area of global health, the emergency approaches of the past decade are giving way to concerns about how to ensure long-term sustainability, while at the same time, efficiency is becoming a dominant measure of success.”

Garrett said that ever since the financial crisis of November 2008, a storm has been brewing over the concepts of “sustainability” and “efficiency.” “It is a fight,” Garrett said, “and on one side are those who believe that crises in general, and the AIDS pandemic and allied diseases in particular, constitute global “emergencies” that must be tackled with full force, mistakes be damned. On the other are those who feel that AIDS is now a chronic disease that can be managed with medication and therefore requires investment in permanent infrastructure of care and treatment that can eventually be operated and funded by the countries themselves.”

Garrett said that in his resignation letter Kazatchkine had essentially conceded victory to the forces for sustainability.

Noting that by the end of 2009, the Global Fund was underwriting almost half of all HIV treatment in poor countries and about two-thirds of all malaria and TB efforts, Garrett said that money from the Fund “has spawned dependency and expectation among its recipients. Should it disappear, or radically diminish, countries would be hard-pressed to finance malaria and tuberculosis efforts.” According to Garrett, this “great diminishment” has already started.

Referring to recent announcements of contributions from the Gates Foundation (an extra \$250 million) and Saudi Arabia (\$25 million), Garrett said that “as generous as these millions may be, the Fund needs billions just to stay alive and fulfil country grants, let alone to grow. Right now we have no idea where that money will come from. Should the Fund collapse, the consequences will be severe. Progress against tuberculosis and malaria will stall, and more than a million people living with HIV could be left without treatment.”

On 30 January, in a [Global Health Policy Blog](#), Amanda Glassman, Director of Global Health Policy and a research fellow at the Center for Global Development, said that the emphasis at the Global Fund has shifted from disbursing money as quickly as possible to the use of fiduciary controls and oversight mechanisms.

Like other global health funders, Ms Glassman said, the Global Fund still has to figure out: How can the organisation invest its resources to obtain the highest health return possible? “Answering this question requires a fundamental rethink of the Global Fund’s role as a commissioner of, or payer for, health services and, ultimately, health outcomes. Instead of a passive cashier, the Fund can become an active and strategic investor in the shared enterprise of producing health results.”

Ms Glassman said that this is the work of a banker, and so Gabriel Jaramillo’s banking background should serve him well in his new job as General Manager of the Global Fund.

Writing in the [New York Times](#) on 1 February, Paul Farmer, chairman of the department of global health and social medicine at Harvard Medical School, said that the question is not whether the Global Fund works, but how to ensure it keeps working for years to come. Mr Farmer cited four reasons why this is imperative.

“First,” Farmer said, “the world needs to expand, not contract, access to health care because of the sheer burden of disease. It is unconscionable that, in 2012, we are still living in a world where millions of poor people die of preventable and treatable diseases.”

“Second,” he said, “the Fund doesn’t simply give handouts; it takes the longer road of investing in and working with health ministries. In doing so, it seeks to build (or rebuild) local health systems, develop platforms for transparency and accountability, boost local procurement and improve supply chains, and help train civil servants and health professionals.”

“Third,” Farmer added, “the Global Fund proves how much multilateral organizations can accomplish.”

“Finally,” Farmer said, “a recession is a lousy excuse to starve one of the best (and only) instruments we have for helping people who live on a few dollars a day. Most marginalized populations around the globe have always faced economic contraction; ‘financial crisis’ has been ongoing for them since the day they were born. It would be a great mistake to allow one of the world’s most effective global health institutions to fail because we need to get our own fiscal house in order.”

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