



Independent observer
of the Global Fund

International AIDS Conference Roundup

The International AIDS Conference, which takes place every two years, ended today. Based this year in Bangkok, the conference was attended by 19,000 people. The Global Fund featured prominently. Thanks in large part to criticisms of President Bush's \$15 billion PEPFAR initiative, the Fund was widely and somewhat simplistically portrayed by many as the knight on a shining white horse that could do no wrong.

The conference began with the release of some disturbing new data from UNAIDS: a record 5 million people were infected with HIV last year, and the cost of responding to the epidemic, including prevention, care, and treatment, will rise to an estimated \$12 billion a year by 2005. But at the conference itself, whose theme was "Access for All," session after session took up the question of how, in practical terms, to expand treatment access to the millions in need of antiretrovirals and prevention access to the hundreds of millions most at risk for HIV. And the three most significant global AIDS initiatives – the World Bank, the President's Emergency Program for AIDS Relief (PEPFAR), and the Global Fund – were at the center of debates over how best to "scale up" the response.

The World Bank was criticized in some sessions for the role debt to the Bank plays in leaving national health programs under-funded; most prominently, UNAIDS executive director Peter Piot, in his speech during the closing ceremony, declared that "Africa's crippling debt must be relieved – the \$15 billion annually that disappears down the money pit. That is four times more than is spent on health and education – the building blocks of the AIDS response." But throughout the conference the approach of the other two main players, PEPFAR and the Fund, were discussed and debated much more widely by protesters, panelists, government officials, and global leaders in the fight against AIDS.

Criticism was constant of PEPFAR on three main fronts: for setting its own agenda, rather than responding to country priorities; for putting ideological constraints on prevention dollars (particularly by

earmarking funds for abstinence and by prohibiting funds that are used for harm reduction programs for injection drug users or that could be construed as empowering sex workers); and for its refusal to pay for generic medicines that have not received approval from the US Food and Drug Administration (none have), leaving its grantees able to purchase only patented drugs, often at many times the cost of generics. The United States' own Government Accounting Office (GAO) released a report on PEPFAR during the conference that confirmed these concerns. In GAO interviews with 28 USAID officials involved in implementing the initiative, all 28 identified coordination challenges and 25 identified PEPFAR program constraints – especially limitations on the purchase of ARVs – as primary obstacles to successfully implementing the program.

The criticisms of PEPFAR exploded onto the global stage on Wednesday afternoon, when PEPFAR's leader Randall Tobias, who had canceled at least two scheduled appearances earlier in the week and canceled a press conference after his speech, finally addressed the conference in a special lecture. As soon as he stepped up to the microphone, he was disrupted by activists condemning PEPFAR's policy on generic drugs, an event covered widely in the press.

The Global Fund, on the other hand, received broad support at Bangkok. While panelists and participants in several sessions spoke about in-country implementation problems, such as non-inclusive CCMs and significant delays in disbursement from Principal Recipients to implementing organizations, participants overwhelmingly expressed support for the Fund's nondirective approach to funding, which supports countries' national plans, the involvement of civil society, and sets no restrictions on drug purchasing or prevention interventions. Activists with Fund The Fund, a loose network of AIDS NGOs from donor nations, distributed some 5,000 leaflets to conference participants reading "Round 5 Now. Stop Killing the Global Fund. Fund the Fund" that were held up in plenary sessions, while street activists from the US-based Health GAP, the South Africa-based Treatment Action Campaign, the Thai AIDS Treatment Action Group, and others held street demonstrations with the same demand. At the first major march, on Sunday, opening ceremony speaker Paisan Suwannawong of the Thai Drug Users' Network announced that the Global Fund didn't have the money to fund Round 5, and urged countries to donate the needed funds immediately. Simon Wright, a campaign manager with ActionAid International and a steering committee member of Fund The Fund, told GFO, "I think the Fund has had a fantastic conference, which wasn't exactly predictable in advance. Aside from the activist actions, there's been a really clear consensus expressed in all sessions I've been to that now that funds have started to come, people want to see them come through the Global Fund."

Princess Mabel van Oranje of the Netherlands, an economist, presented the results of a study by the Open Society Institute at the opening plenary, which found that the Global Fund was better positioned than other funding mechanisms to scale up the AIDS response, harmonize national efforts, and support a comprehensive approach to AIDS that integrates development concerns and addresses the needs of marginalized communities. She said she had set out to ask "how donors could get the best bang for their buck," and concluded that, "based on the early evaluations...I would put my money in the Global Fund."

Messages throughout the conference from prominent figures such as UN Special Envoy for AIDS in Africa Stephen Lewis, French President Jacques Chirac, UN Secretary General Kofi Annan, and former President of South Africa Nelson Mandela echoed this growing confidence in the Fund:

- Lewis, in an interview during the conference, said, "We'd strongly recommend that PEPFAR increase their contribution to the Global Fund to at least \$1 billion and that the world rely primarily on multilateral efforts such as the Fund and the World Bank to confront AIDS, who base their programs on principles of national ownership."
- Chirac, in remarks delivered by a minister on his behalf at the Tuesday morning plenary, said, "We should ensure the sustainability of the Global Fund's financing and raise its resources to \$3 billion per year by sharing this effort among Europe, the United States, and all other donors."

- Jim Kim, director of AIDS at WHO, called the Global Fund “magnificent” during a Tuesday morning plenary speech in which he urged participants to make 3×5 a reality.
- After mentioning the Global Fund only in passing in his speech at the Conference's opening plenary, UN Secretary General Kofi Annan issued an unexpectedly strong statement of support for the Global Fund in a Tuesday interview with the BBC. He expressed disappointment that so little of the \$15 billion promised by President George W. Bush to tackle HIV/AIDS is going to the Global Fund. “The Global Fund is ready to go,” he said. “If individual governments begin to set up their own initiatives, they start from scratch, it takes longer, the money that they hold will not be spent for a long time.” He went on to encourage the US to contribute \$1 billion a year to the Fund, asking Europe to put in another billion. With additional resources raised elsewhere, “the Fund could have assured and sustained support through the next five years or so,” Annan said.
- Bolivian AIDS activist Gracia Violeta Ross, a woman living with HIV who spoke during the closing ceremonies, issued a spontaneous call to “Fund the Fund,” adding, “The Global Fund is the only window of hope for countries like mine.” Violeta Ross helped to lead the fight to get PWA representation on Bolivia's CCM, which now includes four PWA members.

The US delegation began the conference by mounting a vigorous defense of PEPFAR. USAID sponsored a Sunday satellite session featuring research in support of PEPFAR's preferred “A B C” (abstain, be faithful, use condoms) approach, and PEPFAR chief medical officer Mark Dybul claimed at various sessions that PEPFAR was disbursing funds much more rapidly than the Fund, because of USAID's 20-year history of HIV-related aid. He said that within PEPFAR's first four weeks, \$850 million had been programmed, and that a total of \$2.4 billion would be programmed by the end of September. He also said that within four weeks of PEPFAR's launch, people with HIV in rural Kenya were already receiving PEPFAR-funded ARVs.

Tobias also characterized the United States as the Fund's patron saint. In a press conference on Sunday, when asked how he thought the United States should respond to the Fund's funding crisis for Round 5, he responded, “When you think of countries involved in helping the Global Fund, the United States is first on the list. The United States made the first donation to the Global Fund, we're by far the largest donor to the Fund; the Global Fund is an important part of the President's emergency plan; and the United States has contributed 35 percent of the Fund's total contributions.” Dybul, in another session, complimented the Fund on its transparency, and announced that PEPFAR planned to model its website on the Global Fund's.

But when conference participants continued to criticize PEPFAR and the level of US support for the Global Fund, Tobias lashed out. In an interview with the San Francisco Chronicle after his speech, Tobias said that “the United States is urging the Global Fund to slow down.” He said the Global Fund, which has raised \$3.5 billion, already had “a large pipeline” of approved grants. “If we put more money into the Global Fund right now ... that money is going into an account at the World Bank,” he said. “I believe they have adequate resources on hand.” He added, “I think the president's budget request for \$200 million [for the Fund] for next year is just fine.”

In an interview with GFO at the close of the International AIDS Conference, Global Fund executive director Richard Feachem responded to these attacks. With regard to Tobias' claim that the Fund was sitting on a large pot of money, Feachem said, “I look forward to the opportunity to sit down with Ambassador Tobias and clarify for him the financial policies of the Global Fund. These are contained in our Comprehensive Funding Policy, approved by our board with full participation of the United States.” That policy says that the entire amount that a grant will cost must be in the bank before the grant agreement is signed. “All monies currently in our bank account are fully committed and programmed to the board-approved grants in Rounds 1 through 4,” Feachem continued. “The Global Fund clearly requires additional finance in order to launch Round 5 at the earliest possible opportunity.”

In response to Tobias' support for President Bush's 2005 budget request for only \$200 million for the Global Fund, Feachem responded: "In 2004, the US contribution to the Global Fund is \$547 million. This is much appreciated by all Global Fund stakeholders and represents a full one-third of Global Fund income in 2004. In 2005, the Global Fund requires \$3.5 billion in order to support the renewal of programs from Rounds 1 and 2, and the launch of Rounds 5 and 6. I am hopeful that, in view of the good results being obtained in many countries through Global Fund investments, the United States will decide to maintain its one-third share of our income needs."

Feachem went on to pay tribute to the strong European commitment to the Global Fund. As of May 21, European pledges for 2004, totaling \$820 million, outflanked US pledges of \$547 million. (This means that US pledges constitute 36 percent of Fund income in 2004, and Europe's combined pledges constitute 54 percent.) By the same date, Europe's pledges for 2005 totaled \$576 million, greater than the US pledge of \$200 million; Europe's 2005 pledges constitute 69 percent of the 2005 total so far, and the US pledge constitutes 24 percent.

Feachem added, "One of the strongest messages to emerge at the Partnership Forum was the urgent need to launch Round 5 immediately following the board meeting in Arusha in November. While recognizing the need for financial prudence, I fully support this call. Without it, the rapid scaling up of prevention and treatment activity for HIV/AIDS, in addition to the urgent needs for tuberculosis and malaria, will be jeopardized. The upward momentum of financial support from the Global Fund must be maintained." At a press conference on Sunday, Feachem had spoken in even starker terms. "If the Global Fund cannot continue to grow, the result is catastrophic, and we will not win," Feachem said. "We will not turn around the HIV/AIDS pandemic, we will not stop TB, we will not roll back malaria. it's absolutely black and white."

GFO also asked Feachem to comment on the concerns raised by conference participants about the frustratingly slow in-country disbursement from PRs to implementers in some Global Fund recipient countries. He replied that the Global Fund's recent analysis of progress on grants from Rounds 1 and 2 [see Fund Releases Progress Report, below] shows a mixed picture. "On the one hand," Feachem said, "fully 80 percent of the 25 grants that have passed their first birthday are making good progress, and we are all very pleased about this. On the other hand, some grants have been slow to get started. The secretariat is focusing extra efforts on these slow-moving grants, firstly to ensure that problems on our side are quickly rectified, and secondly to mobilize technical assistance from WHO, UNAIDS, and other partners to address bottlenecks in-country."

Feachem characterized both the Partnership Forum and the International AIDS Conference as "extremely important" opportunities for the Fund to receive feedback on progress and problems. "We have been listening carefully," he said. "Both the strong support and the constructive criticism which we heard are extremely welcome."

Former President Nelson Mandela, making what might be his last speech outside South Africa, closed the conference with a rousing call for support for the Fund. “We call upon donors to substantially increase their funding for the fight against AIDS. This applies not only to governments, but also to the private sector and private foundations. It also applies to every global citizen – no amount of money is too small to make a difference. We highlight the importance of the Global Fund to Fight AIDS, TB and Malaria and the good work that it is funding in 127 countries around the world. We need to build the public-private partnership that is the vision of the Global Fund. **WE CHALLENGE EVERYONE TO HELP FUND THE FUND NOW.**” [Capitals contained in the official transcript provided by Mandela’s staff.] “The day after tomorrow, the 18th of July, will be the day I turn 86. There could be no better birthday gift than knowing that there is renewed commitment from leaders in every sector of society to take real and urgent action against AIDS. We know what needs to be done – all that is missing is the will to do it. Allow me to enjoy my retirement by showing that you can rise to the challenge.”

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