



Independent observer
of the Global Fund

GLOBAL FUND RESCINDS APPROVAL OF ROUND 10 TB PROPOSAL FROM THE RUSSIAN FEDERATION

Official reason cited was that the time period for signing a grant had expired

The Global Fund has rescinded its approval of a Round 10 TB grant from the Russian Federation. The official reason advanced by the Fund was that the period allotted for negotiations of the grant agreement had expired with no agreement having been signed. However, the real reason appears to have been the fact that the Government of the Russian Federation was opposed to the country receiving any more grants from the Global Fund because it now sees itself as a donor to the Fund. In addition, the Global Fund did not want to sign a grant agreement unless the Government was on board.

The TB proposal was designed to provide treatment over a five-year period for 18,000 patients suffering from severe forms of multi-drug resistant TB, as well as 1,700 patients co-infected with HIV and TB, 60% of whom are prisoners. It is these intended beneficiaries who may pay the highest price for the fact that no grant will be forthcoming from the proposal. Russian advocacy groups fear that the government will not step in to provide the services that the proposal was designed to provide.

The proposal budget was about \$127 million. The principal recipient (PR) nominated in the proposal was the Russian Health Care Federation, an NGO.

On 20 March 2012, Mark Edington, Head of the Grant Management Division at the Global Fund Secretariat wrote to the then Chair of the CCM, Professor V.I. Pokrovsky, to inform him of the Fund's decision.

When the CCM submitted the TB proposal in August 2010 – a proposal that was endorsed by most of the

members of the CCM, including some government representatives – the Russian Federation was still a recipient of Global Fund grants. Then, in October 2010, the Government announced that the Russian Federation would become a donor to the Global Fund and did not wish to receive any more grants.

In his letter, Mr Edington said that on 8 October 2010, the Deputy Minister of the Ministry of Health and Social Development wrote to the CCM Chair to say that all Global Fund grants in the country were to be completed by 2011, “and that therefore Russia’s participation in the Round 10 call for proposals was not considered by the Ministry.”

Nevertheless, the Russian Federation TB proposal was one of numerous Round 10 grants approved by the Global Fund Board on 15 December 2010. On 11 January 2011, the Global Fund Secretariat sent the Russian CCM a routine notification letter, indicating that the Board had approved the TB proposal, and that such approval was conditional on the successful completion of negotiations of a grant agreement within 12 months of the date of Board approval.

According to the letter from Mr Edington, on 25 July 2011, the Executive Director of the Global Fund received a letter from the Ambassador, Permanent Representative of the Russian Federation to the U.N. Office and Other International Organisations in Geneva, informing him of the government’s decision not to accept the Round 10 grant. Mr Edington said that the CCM Chair then requested that CCM members express their position on the TB proposal. Mr Edington noted that as of 15 November 2011, the government-affiliated constituencies of the CCM “did not express their support of the proposal.”

In his letter of 20 March 2012, Mr Edington quoted the Round 10 TB proposal as saying that “the Ministry of Health and Social Development of the Russian Federation has the overall responsibility for TB control in Russia and the Principal Recipient shall collaborate and coordinate the implementation of the project with the Ministry of Health and Social Development, Federal TB Institutes and regional public health care institutions.” The significance of this statement is that the Global Fund believed that the proposal could not be implemented properly without government collaboration.

As indicated above, the Global Fund requires that all grant agreements be signed within 12 months of Board approval of a proposal. The Global Fund Secretariat has the authority to extend this period by three months if circumstances warrant. According to Mr Edington, on 22 December 2011, the Global Fund informed the CCM in writing that it was granting an exceptional extension to the period for signing the grant from the TB proposal “on the condition that national stakeholders utilize the extension period to finalize grant negotiations by defining appropriate ways and consensus among all CCM constituencies, national stakeholders to implement the Grant.”

In his letter of 20 March 2012, Mr Edington told Dr Pokrovsky that on 19 March 2012, the Secretariat’s Management Executive Committee conducted a thorough review of the negotiations undertaken between the proposed PR and the Secretariat. Mr Edington said that the Committee concluded that negotiations “were not at a stage which would warrant grant signature. As a result, the Global Fund Board’s approval of the Round 10 TB proposal has now expired.” Mr Edington added that there is no right to appeal this decision.

Had a grant been signed based on the Round 10 TB proposal, new rules adopted by the Global Fund Board might have placed the grant in a difficult situation. In November 2011, the Board decided that Group of 20 (G-20) upper-middle-income countries with less than an extreme disease burden would no longer be eligible for renewals of grants. The Russian Federation currently has a severe, but not an extreme, disease burden in TB. Had that situation prevailed at the time of a request for Phase 2 renewal, the grant would not have qualified for renewal.

Reaction from stakeholders

GFO was informed by a source within a civil society organisation in the region that on 14 September 2012, the CCM discussed the situation and voted to re-endorse the proposal, and that the representative of UNAIDS on the CCM abstained from that vote.

On 6 October 2011, the Interregional Public Organisation “Community of People Living with HIV,” the International Treatment Preparedness Coalition – Eastern Europe and Central Asia (ITPCru) and Andrey Rylkov Foundation issued a statement criticising UNAIDS for abstaining. The statement said that the TB proposal would have complemented the government’s efforts to fight TB.

GFO was also told that the CCM met again on 6 December 2011 and once again re-endorsed the proposal. Our source said that almost all government members either voted against re-endorsing the proposal or abstained; and that a majority was secured by virtue of the votes from the non-government sectors and multilateral partners. The source said that the Global Fund “was not satisfied with the results of the voting” because the government representatives did not vote in favour.

GFO is not aware of the outcomes of any discussion that the CCM may have had concerning Mr Edington’s letter of 22 December to the CCM Chair.

There have been reports in recent months that several regional hospitals in the Russian Federation were facing stock-outs of TB medicines. Some treatment activists have said that the decision not to proceed with the Round 10 TB proposal is a contributing factor to the stock-outs.

On 9 April 2012, Sergey Golovin, Advocacy Officer for ITPCru, wrote on the ITPC listserv that what caused the decision to rescind the approval of the Round 10 TB grant was “the change of the Russian Federation’s status in financing the Global Fund – Russia has become a donor and is now claiming that it doesn’t need help from the Global Fund and is ready to help other countries.” In his post, Mr Golovin quotes Andrey Zlobin, chairman of the organisation “Community of People Living with HIV” as saying: “The Directorate of the Global Fund had been notified about the new donor status of Russia before the approval of the grant in 2010. However, the Secretariat of the Global Fund took their words back. Unfortunately, the Global Fund, a body created with the purpose of protecting patients’ interests, took a certain place among many international organizations playing political games with Russian officials.”

GFO has a copy of Mark Edington’s letter of 20 March 2012 on file.

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