



Independent observer  
of the Global Fund

## IS A NEW NARRATIVE SHAPING THE GLOBAL FUND?

Following a “perfect storm” of fiduciary, financial and managerial problems which plunged the Global Fund into a crisis, the organisation is now undergoing a process of transformation. Both the crisis and the decision to embark on transformation are significant and surprising given that until quite recently, the Fund was generally acclaimed as a grand success.

This article argues that a new “narrative” (that is, a set of ideas and explanations) has been formed around the Global Fund’s crisis and transformation, and that it is important to look critically at these ideas and explanations.

More than ten years ago, ideas and explanations played an important part in the formation of the Global Fund. They included: (a) the idea that HIV/AIDS was a global health emergency and a threat to economic and political stability (see [here](#) and [here](#)) which required an unprecedented and aggressive global health response (Kofi Annan called for a “[war chest](#)” to fight HIV/AIDS); (b) a view that existing global health organisations, especially UN-affiliated bodies, were inefficient and inadequate, and that the use of [public-private partnerships](#) and business models would improve global health management and governance; and (c) a growing discourse around universal health rights which emphasised the responsibilities of rich countries for funding the unmet health needs of people in low- and middle-income countries.

These ideas and explanations paved the way for the creation of the Global Fund as a global health partnership, encompassing governments, donors, one multi-billionaire, multi-nationals, NGOs and affected

populations. The active participation of civil society was hailed as a notable improvement to the way aid was traditionally managed. The ideas and explanations also justified developing the Global Fund as a bold and ambitious organisation that would rapidly expand the coverage of key services and treatments, mainly through vertical and selective programmes and projects whose outputs could be more easily measured.

However, when it became more widely recognised that the uncoordinated proliferation of global health institutions and vertical programmes (of which the Global Fund was a part) was undermining the health systems of recipient countries, and that strong health systems were necessary for ensuring the sustainability, efficiency and effectiveness of disease-based programmes, the ideas of “aid effectiveness” (AE) and “health systems strengthening” (HSS) became prominent within the narrative surrounding the Global Fund.

As a consequence, the Global Fund began to examine how to resolve the [tensions between being disease-based and results-driven, whilst supporting HSS and AE efforts](#). It joined the [International Health Partnership](#), which committed development partners to harmonise their funding and programmes and improve the alignment of health aid with national systems and plans. The creation of a dedicated [health systems funding platform](#), and a proposal to expand the remit of the Global Fund to include maternal and child health, also reflected the emergence of AE and HSS as important issues.

But the Global Fund’s crisis and transformation appears now to have created a quite different narrative. Three themes appear to be prominent.

The first is “financial austerity,” as exemplified by this chilling message from the [High Level Panel](#), that was established to investigate the Global Fund’s fiduciary systems in the wake of the recent “corruption scandals”:

“The halcyon days of ever-increasing budgets for global health are over, as Governments turn their focus inward in response to domestic concerns, including unemployment and debt reduction. The Global Fund can no longer count on appealing to key political figures in large donor countries to increase their nations’ contributions as a matter of pride or in the name of ‘solidarity.’ The economic problems are too severe, and as Governments pull back on their expenditures across the board, foreign assistance will share in the retrenchment.”

Implicit in this theme is the view that HIV/AIDS is no longer a threat to the political and economic interests of rich countries. The theme also implies a shift away from associating the Global Fund with notions of global duty and solidarity, towards notions of discretionary benevolence and charitable assistance. In discussing the Global Fund’s crisis, [Laurie Garrett](#) even pointed to the “fickle largesse” of rich countries having “spawned dependency” amongst poor countries, thus implying that the previously prominent rights-based agenda was an indulgence.

The second theme is “risk,” which emerges from the recent “corruption scandals” that harmed the Global Fund’s reputation and even caused some donors to temporarily suspend their funding pledges. The effect has been to place “financial management,” “fiduciary control” and “risk management” higher up the Fund’s agenda, increasingly at the expense of calls for speedy disbursements and the rapid expansion of treatment coverage. This has reinforced the theme of financial austerity. Associated with the risk theme is the current shift towards the Global Fund playing a more active role in engaging with countries to ensure better fiduciary control, extracting more “value for money,” and leveraging a greater level of financial contribution from recipient countries towards HIV, TB and malaria programmes.

The third theme is the idea that the Global Fund has not been adequately efficient. This was prominent in the report of the High Level Panel. As a result, notions of “value for money” and “maximising returns from investment” have featured strongly in commentaries written by a number of global health commentators.

[Richard Feachem](#)

, for example, calls for the adoption of “cash-on-delivery aid” in which countries “that have proven the ability to manage funding responsibly could receive carefully calculated payments for each standard unit of verified output or outcome.”

[Stephen Morrison and Todd Summers](#) call on the Global Fund to improve its “purchasing efficiency”, while [Amanda Glassman](#) calls for “genuine performance-based contracts” based on the purchase of priced interventions. Glassman also encourages the Global Fund to change from being “a passive cashier” to becoming “an active and strategic investor in the shared enterprise of producing health results.”

These three themes stand in stark contrast to the ideas and concepts that accompanied the birth of the Global Fund. So it is appropriate that what is occurring to the Global Fund is described as a transformation, rather than simply change. But ideas, concepts and explanations that become dominant are not always true or well grounded. They need to be examined and questioned.

For example, one might challenge the validity of certain aspects of the narrative. This includes the idea that the “financial losses” uncovered by the Office of the Inspector General were so severe and shocking that they justified criticism of the Global Fund to the extent that it precipitated a crisis. In reality, the reports about alleged corruption associated with the Global Fund were often [exaggerated and taken out of context](#). Undoubtedly, there have been cases of corruption associated with Global Fund grants and this is unacceptable. However, corruption exists almost everywhere. If anything, the Global Fund’s record on transparency and rigorous auditing is commendable and the identification of financial irregularities could just as easily be portrayed as a sign of strength rather than weakness.

The idea that financial austerity must impact on the Global Fund is also questionable. In the bigger picture, there is more than enough money to support further growth in the amount of money that the Fund invests each year in countries.

Another aspect of the dominant narrative that should be challenged is the frequent portrayal of the Global Fund as a self-contained and autonomous organisation when, in fact, it is a partnership of multiple organisations and its “performance” is shaped by a larger group of actors. If the Global Fund fails, it is not just one organisation that fails, but also a broader system that includes a larger network of actors. Corruption and poor financial management are, for example, more likely when systems are weak and fragmented. And many grants have struggled because of the lack of effective and coordinated support and assistance coming from other development partners.

However, the current narrative is mostly silent on health systems strengthening (HSS) and aid effectiveness (AE). Neither the Global Fund’s [Consolidated Transformation Plan](#) nor its [2012-2016 Strategy](#) mention the International Health Partnership, nor various instruments and processes designed to improve harmonisation and alignment, such as Joint Assessment of National Health Strategies, joint financing agreements and country compacts. These are significant omissions because several of the identified weaknesses of the Global Fund result from the uncoordinated and fragmented nature of the “global health complex.” But instead of seeking systemic solutions to systemic problems, the rhetoric of the new narrative appears geared towards finding Global Fund-specific solutions for its own priorities.

It is also worth noting that several aspects of the Global Fund that have been recently criticised, such as weak fiduciary control and lack of targeted investment, are merely the flipside of features that were encouraged by, and hailed as positive by, donors and other stakeholders (e.g., willingness to take risks; rapid and aggressive expansion of services; being responsive to country-led demands; and having the lightest of footprints within countries).

The Global Fund is not a perfect organisation. There are many areas where it can improve and be strengthened. But the authenticity of the narrative that appears to have become established around its

fiduciary, financial and managerial “crisis” is questionable and should be challenged.

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