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of the Global Fund

GLOBAL FUND EXECUTIVE DIRECTOR MICHEL KAZATCHKINE TO RESIGN

Board Had Concerns Regarding Managerial Leadership

Gabriel Jaramillo, Brazilian Banker, to Serve as General Manager

Michel Kazatchkine announced today that he will “step down” as Executive Director of the Global Fund by mid-March. He said that his planned resignation resulted from a decision by the Global Fund Board two months ago to appoint a General Manager who will supervise many Global Fund activities and who will report direct to the Board. GFO understands that this decision by the Board to transfer many of Dr Kazatchkine’s responsibilities to someone else arose from the Board’s concern that the Fund’s managerial leadership was not sufficiently effective.

“For the last ten years, the Global Fund has been my passion and my most important undertaking,” Prof. Kazatchkine said in a [statement](#) to staff. Simon Bland, Global Fund Board Chair, [responded](#) by saying, “Few individuals have played a more central role in the creation and evolution of the Global Fund than Michel.”

The Global Fund also [announced](#) today that the General Manager will be [Gabriel Jaramillo](#), a prominent banker from Latin America who was one of the members of the [High Level Panel](#) that extensively evaluated the work of the Global Fund during 2011. Mr Jaramillo spent three days last week meeting senior staff at the Global Fund.

The Global Fund said that Mr Jaramillo will take up a 12-month appointment on 1 February. The Fund did not specify whether Mr Jaramillo will serve as Acting Executive Director once Dr Kazatchkine leaves, but it

implied that he will when it said, in a Q&A document sent to Board delegation members, that Mr Jaramillo will “take over all of the management responsibilities of the Global Fund Secretariat.” A spokesman told GFO that the Global Fund will launch a search for a new Executive Director “in due time.”

Mr. Jaramillo, a native of Colombia and a citizen of Brazil, is a former Chairman and Chief Executive Officer of Sovereign Bank. Since he retired a year ago, he has served as a Special Advisor to the Office of the Special Envoy for Malaria of the Secretary General of the United Nations. Mr Bland said in a press release that Mr Jaramillo “is an outstanding choice, and exactly what we need at this time: an excellent manager and a proven financial leader who can direct change and improve performance in a large institution during a time of transition.”

Background regarding Board concerns

On 21 November 2011, the first day of the Global Fund’s two-day Accra board meeting, the twenty voting Board members and their alternates met in executive session to review a detailed performance assessment of Dr Kazatchkine. Such an assessment is automatically carried out each year by external professionals under the guidance of the Chair and Vice-Chair; it draws upon responses received to questionnaires that are submitted to dozens of people. According to several Board members, this year’s assessment praised many aspects of Dr Kazatchkine’s work, but it contained strong criticisms of his effectiveness as a manager – criticisms that echoed those made in the assessment that was conducted a year earlier.

On the second day of the Accra meeting, the Board decided, again in executive session, to appoint a General Manager. This decision was announced by the Fund the following day, as reported by GFO [here](#). However, at that time, the Global Fund specified only that the General Manager would work “alongside” the Executive Director, adding that the General Manager would “help to take the organization through its transformation phase over the next twelve months.”

Jon Liden, the Global Fund’s Communications Director, clarified the situation earlier this month in the course of responding to questions from GFO. He said that all of the Fund’s senior managers (including the Deputy Executive Director) who then reported to the Executive Director would instead report to the General Manager, and that the General Manager would report to the Board, not to the Executive Director. Mr Liden added that the person to serve as General Manager would be chosen by the Chair (Simon Bland, a U.K. government official) and Vice-Chair (Mphu Ramatlapeng, Minister of Health of Lesotho), in full consultation with the Board. Finally, he stated that the responsibilities of the Executive Director once the General Manager was in place were “to be determined.”

It was against this context that Dr Kazatchkine announced today that he will resign by mid-March.

Speculation in French magazine

Earlier this month, there was speculation in the popular French magazine Marianne that certain procurements by the Global Fund were mishandled, and that this was of concern to the Board. The Chair has informed GFO that these allegations were not true and were not a factor in the Board’s decision to appoint a General Manager. The procurements related to services to support the Born HIV Free campaign in 2010, in which Carla Bruni-Sarkozy, the Global Fund’s unpaid Ambassador for Protecting Women and Children Against AIDS, and wife of the President of France, featured prominently. The Global Fund responded with a detailed accounting of the procurements in question, and stated emphatically that all Global Fund procurement procedures had been handled correctly and that this had been confirmed through an external audit specially commissioned by the Chair. (The Global Fund’s statements in

response to the Marianne article are available [here](#) and [here](#).)

Dr Kazatchkine

Dr Kazatchkine, 65, has been Executive Director of the Global Fund since April 2007. Prior to then he served the Global Fund as the first Chair of the Technical Review Panel, then as Board member representing France, then as Vice-Chair of the Board. He is an immunologist who has been working in the field of AIDS since 1983. In 1988 he became the director of the French National Research Agency on AIDS (ANRS), the world's second largest AIDS research program, and he has also served as France's Ambassador on HIV/AIDS and Transmissible Diseases.

Further background information regarding Dr Kazatchkine is available in his [bio](#), his Huffington Post [blog entries](#), a 2007 [interview](#) with GFO, a 2007 Boston Globe [profile](#), his [report](#) to the 2011 Accra board meeting, and various [interviews and speeches](#).

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