



Independent observer
of the Global Fund

Global Fund Board gives the Secretariat the green light to prepare proposals for investing in non-eligible countries in crisis (e.g. Venezuela)

The Global Fund Board has acknowledged that a health crisis may emerge (or may already have emerged — e.g. Venezuela) in a non-eligible non-high-income country that could have an adverse impact on the global response against the three diseases — and that the crisis may be of such a magnitude that the Global Fund should consider providing support.

The Board asked the Secretariat to present to the Strategy Committee potential “investment cases” meeting the criteria contained in the paper on this topic prepared for the Board. The Board said that any such cases should describe how the proposed investment should be funded.

The Board paper was prepared by the Secretariat, though it contains passages that reflect the outcomes of discussions on this topic by the Strategy Committee.

(Editor’s note: For the purposes of this article, we use the term “exceptional funding” to denote funding for non-eligible countries in crisis.)

The paper said that despite the existing broad reach of Global Fund investments, in extreme cases crises in non-eligible countries could adversely impact communities affected by HIV, TB and malaria and have the potential to impact regional progress against the three diseases in neighboring countries receiving Global Fund support. Responsive, well-timed investments in such contexts could prevent large future costs and safeguard progress against the three diseases, the paper said.

The question of where the money would come from to provide exceptional funding is raised many times in

the paper. In the absence of additional funding, the paper said, “the use of finite resources to fund non-eligible countries will, by default, limit the Global Fund’s ability to scale up support and address critical gaps in the existing portfolio.” However, the paper added, “such investments also have the potential to save lives, limit future public health risks, and mitigate future costs from the possible escalation of localized health crises into regional challenges.”

The paper recommended that financial support be limited to an initial duration of 12 months, with the possibility of an extension in exceptional circumstances. The paper also recommended that the Board consider “aligning” the amount of exceptional funding to the total amount available in the Global Fund Emergency Fund. The Emergency Fund is a special initiative. It has a budget of \$20 million for 2017–2019. The Board appears to be saying that any exceptional funding approved under this approach should not be greater than \$20 million.

The paper also recommended that high-income countries and members of the Organization for Economic Cooperation (OECD) Development Assistance Committee (DAC) not be eligible for exceptional funding.

The Global Fund said that it will consider a health emergency in an ineligible country to be a “crisis” once it is classified as a Level 3 emergency by the Inter-Agency Standing Committee (IASC), or a Grade 2 or 3 emergency by the World Health Organization (WHO). The IASC is the primary mechanism for inter-agency coordination of humanitarian assistance that involves key U.N. and non-U.N. humanitarian partners. The Global Fund may also consider the situation to be a crisis based on its analysis of independent assessments by civil society and non-governmental humanitarian actors, as well as the WHO Joint External Evaluation findings that assess country capacity to prevent, detect and rapidly respond to public health risks; and other information on the availability of essential commodities for the three diseases.

Under the approach described in the paper, the Global Fund and its technical partners would examine the country’s epidemiological situation (including the availability of life saving treatment and other core interventions); economic context; and potential implementation arrangements when evaluating possible Global Fund support. The Fund and its partners would take into account input from civil society and other non-governmental actors.

In assessing potential exceptional funding, the paper said, the Global Fund would consider whether appropriate implementation mechanisms can accountably deliver funding and have an impact in the ineligible country in crisis — as well as the strategic, financial and operational opportunity costs of the engagement for the existing portfolio.

The paper said that implementation arrangements are unlikely to follow traditional Global Fund processes (e.g. CCMs, funding request, grant making) due to the uniqueness of the crises, the likely absence of previous Global Fund implementing partners in the country, and the need for rapid responses. It is expected that a response will be led by in-country partners using implementation arrangements that provide sufficient and responsible oversight of funding and impact, are within the Global Fund’s risk appetite, and are consistent with the Global Fund’s mission and strategic goals.

In assessing potential implementation arrangements, the Global Fund will take into account the specific political situation and circumstances of the crisis. Consideration will be given to using civil society, multilateral or other non-governmental actors as the primary funding channels in situations where a health crisis in HIV, TB or malaria is not acknowledged by a national government.

The paper said that the assessment should also consider:

- partners’ operational presence and capacity to provide oversight;

- whether the amount of funding provided by the Global Fund can be matched or complemented by other donors;
- the safety of people affected by the three diseases, staff and implementing partners;
- the scope of activities the exceptional funding would cover;
- whether the country need is likely to require a longer-term response; and
- the impact of a potential Global Fund contribution on existing grants to eligible countries.

Under the approach described in the paper, individual cases presented to the Board for consideration will identify a proposed source of funds and will describe detailed trade-offs. This will include a discussion of how a potential shift in funds will affect scale-up and gaps in existing grants, the paper said, and the implications of addressing these crises on the Secretariat's workload.

At the same time, the paper stated that based on the estimated need and the timing of any request submitted under this approach, the Secretariat will identify potential sources of funding for the request, which may include funds which would otherwise be (re)invested through portfolio optimization, or funds approved for other uses by the Board.

Expression of frustration

The Board paper contained an unmistakable expression of frustration on the part of the Secretariat with the way this issue has been dealt with up to now (and, perhaps, is still being handled).

"The Secretariat notes that this is the third consecutive Board meeting where Venezuela has been discussed, either directly or indirectly," the paper said. "Without a clear decision and direction from the Board, the Global Fund is in the difficult situation of having to dedicate significant resources to engage with partners, the Board and committees, with no resulting impact."

The Secretariat emphasized "that it has and will enact the Board's decision in full faith and requests a clear decision with defined parameters of what is and is not within the Board's appetite for responses in non-eligible countries in crisis."

Effectively responding in ineligible countries in crisis, where the Global Fund has never engaged or has already exited, will be operationally challenging and may require compromises on risk assurance, access by the Office of the Inspector General, programmatic oversight and other areas, the Secretariat pointed out.

The Secretariat said that difficult financial trade-offs will be required between crisis response and funding the over \$2 billion in unfunded quality demand (UQD) for the 2017–2019 allocation period, which includes critical coverage gaps in high-burden countries, responses to disease resurgence, and transition needs. "Furthermore," the Secretariat said, "the amount of funding available from the Global Fund will almost certainly be inadequate to meet a significant portion of the need in countries in crisis, particularly when compared to the amounts available in the Emergency Fund." The Secretariat said that current estimates of the cost of funding essential drugs for the three diseases in Venezuela is approximately \$30 million per year. "Given these facts, the Secretariat further notes that responding to more than one crisis will impact the Global Fund's ability to use available funds to scale up in eligible countries."

The Secretariat noted that a positive decision supporting this approach would signal a willingness on the part of the Board to engage in these contexts and accept the inherent trade-offs. The Secretariat further noted the expectations among stakeholders that the approval of this approach will lead to positive decisions that provide exceptional funding to "certain already identified contexts." The Secretariat "requests the Board to carefully consider these difficult future choices, particularly its willingness to approve and fund non-traditional implementation arrangements, expectations for funding amounts

provided to ineligible countries in crisis, and trade-offs with funding critical needs in the UQD [Register] before voting on this approach.”

Board Document GF-B39-03 (Global Fund Approach to Non-Eligible Countries in Crisis) should be available within a few weeks at www.theglobalfund.org/en/board/meetings/39.

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