



Independent observer  
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## THE NEW FUNDING MODEL WILL PUSH LAC OUT OF THE GLOBAL FUND'S PORTFOLIO

by Javier Houcade Bellocq

In recent months, the Global Fund board has been discussing the new funding model. It will probably be approved before the end of the year. Outside of the sphere of the board and in certain regions, there are serious reservations about the new model, particularly in communities in countries that have become steadily less prominent in the Global Fund. The feeling in Latin America is that the new model will push this region out of the Fund's portfolio once and for all.

We are going to get the model we deserve. The current situation is due not only to the international financial crisis and the dramatic reduction in money for international development, but also to corruption, wastefulness and inefficiency within many Global Fund grants. There is less to ask for but, to a certain extent, we have also lost the right to say what it is that we need.

Over the years, the Global Fund's eligibility and prioritisation criteria have gradually and systematically excluded Latin America from the Fund – as a consequence, above all, of a single variable that carries greatest weight in all applied models, namely income levels.

There is room for moderate optimism only among those participating in the Board's talks. Outside this limited group, ignorance and confusion abound. When asked about the impact of the new model, Mabel Bianco, a member of the Developing Country NGOs Delegation, said that Latin America and the Caribbean (LAC) would unfortunately continue to have limited access to funds from the Global Fund due to the categorisation of income level.

In the same regard, the UNAIDS Regional Director for Latin America, Dr Cesar Nuñez, said that: “Latin America pays for its response. If I look at all of Latin America, 95% of the response is paid for by the governments, 5% comes from international cooperation. Central America is different, as international cooperation accounts for 30%. In this region we are going to feel a very noticeable change in the way the money is distributed. Now, how is the 70% or 95% spent? Is it going to the people it should be going to? How much goes to treatment and how much to prevention?”

And this is the crux of the matter, even where regions like LAC, Asia and Eastern Europe have already invested substantial domestic resources in the response. These are regions where the epidemic is concentrated in most-at-risk populations. Governments refuse to work with these populations and, in some cases, refuse to even acknowledge their existence. Will domestic funding be obtained for the human rights work that needs to be done in our countries?

Are the efficient countries being punished? In this respect, Lorenzo Vargas Cornejo of LACCASO reflects: “It’s highly contradictory. When you do your job and do your homework properly, you get punished and there are no more resources. It would appear that this is how funding policies, contributions from abroad, work. I think it should be quite the opposite. The funding should continue in such a way that it can leverage resources and sustain the good work that has been done in the region.”

Lastly, in view of the recent restructuring of the Global Fund Secretariat, there are some reservations about the Secretariat’s capacity to support country coordinating mechanisms (CCMs), PRs and governments in what is a complex Global Fund process. On this issue, Mabel Bianco states: “The Secretariat should be prepared for this new model. Particularly, it should improve communication and knowledge of the situation in each country. If the new model is gradually applied to some pilot countries, this will make it easier to adapt and allow lessons to be learned and gradually tweak implementation. It will be vital for civil society organisations in each country to be informed and start preparing.”

It may be hasty to talk about the impact of a model that has not yet been completed or approved. But it is already abundantly clear that, conceptually, it is an exclusive model, and that this is not going to change in November when the final version is approved. Because of Latin America’s poor participation in these global talks, ignorance and scepticism reign once again in the region – and maybe also resignation, as we prepare to go through the final stages of a process whereby a region is systematically excluded from investment. It is a region that will perhaps not suffer the immediate termination of treatment, but will suffer the abandonment of investment in high-impact interventions aimed at achieving a sustainable response. I refer specifically to work with and for sex workers, trans people, drug users, gay men and men who have sex with men.

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