



Independent observer
of the Global Fund

Richard Feachem

On March 14, Richard Feachem, Executive Director of the Global Fund, was interviewed by Bernard Rivers of GFO and Jim Cashel of IAEN (International AIDS Economics Network – www.iaen.org), for publication in both newsletters. Highlights from the transcript follow. The order of some of these excerpts has been modified to increase clarity. For the entire verbatim interview, see www.aidspace.org/gfo/docs/gfo54.htm.

Readers who have follow-up questions for Dr. Feachem may post them at www.iaen.org/globdial/feachem/survey.php. The interviewers will choose some of these questions and send them to Dr. Feachem for emailed response, to be run in future issues of the GFO and IAEN newsletters.

Interview excerpts:

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ON INDIA

Question: You were in India last week. What are your greatest concerns regarding HIV/AIDS in India?

Feachem: I think the greatest concern about HIV/AIDS in India is that it will become the major epidemic in the world, and this could happen rather quickly. I think in many ways India is the turning point for the global pandemic. If India succeeds, the world succeeds, and if India fails, the world fails. ... If we all continue to do as little as we're doing at the moment, it's going to be absolutely huge, and obviously massively destabilizing for that society...

India spends very little of its own money on HIV/AIDS work. The HIV/AIDS work in India is largely funded from foreign sources including, now, the Global Fund...

ON GLOBAL FUND RESOURCE MOBILIZATION

Question: At the last board meeting, the Global Fund Secretariat projected that the Fund would need to receive \$6.3 billion during 2003 plus 2004. Does the Secretariat stand behind those numbers?

Feachem: Yes, absolutely. ... And this is only a rather small share of the total resources that are needed to fight the HIV/AIDS pandemic alone, not to mention TB and malaria...

Question: What is the Secretariat doing, and what is the Board doing, to raise the money that the Fund needs by October?

Feachem: A lot... We regard the upcoming G-8 summit in Evian, France, as an extremely important event. There will be a report back to the G-8 leaders in Evian on the progress and challenges of the Global Fund, including the financing of the Global Fund... France, who is the president of the G-8 this year, is hosting the Evian meeting, and will also be hosting a Global Fund donors' conference in Paris in the middle of July... The details of those discussions are, of course, somewhat different in each of the G-7 capitals because they each have their own appropriations cycles and parliamentary procedures, but the overall news is cautiously positive... In the case of both the U.S. and other G-7 nations, there's a need to front-load [their] pledges because the immediate refinancing needs for the Global Fund are this year, right now, and not in three or four years' time...

The Board has a Resource Mobilization Committee which is becoming more active and has a meeting the first week of April. It is important that the Committee becomes fully effective as quickly as possible. A necessary step for this to happen is for the appointment of a chair of that Committee, which unfortunately is still an unresolved issue. From the Secretariat perspective, we will be hoping to see a considerable increase in Board pro-activity in the resource mobilization arena. I mean, clearly, it is a matter where the Board has to be properly active and where the Chair of the Board has to play a particularly influential role...

ON MONITORING AND EVALUATION

Feachem: Our focus at the Global Fund is not so much on M&E [Monitoring and Evaluation] for the sake of M&E, but on performance-based funding where the measurement of performance is crucial not only to know how successful the programs are but also crucial for the funds to continue to flow...

The LFA [Local Fund Agent] is not directly involved in monitoring and evaluation, but it is involved in confirming the plausibility of the M&E reports that are received. So data reported by the Principal Recipient to the Global Fund travels first to the LFA, whose job is to have a light oversight of that and, if you like, do a plausibility check. Whenever you move to a performance-based funding system, you do provide a very strong incentive to make up numbers and fudge results, and everybody's very conscious of that. And so it is an appropriate moment to give a plausibility check to make sure that numbers being reported are actually the best and honest estimate of what is being achieved...

If [a grant applicant] were to propose to us that 10% of [its] total [grant] money be spent [on M&E], we would not have any objection to that. And we certainly would want to see suitable budget lines for M&E in all proposals, or a clear explanation of how M&E was being separately funded, if it's not being funded by the Global Fund.

ON HOW TO MEASURE THE Fund's SUCCESS

Feachem: it's too early for us to claim reduced morbidity or reduced mortality as a result of the existence of the Global Fund. But there's a lot else that we are drawing attention to and that we will encapsulate in statements made to the G-8 Summit in Evian. Some examples of that: the Global Fund has designed, put in place, and begun to operate a new innovative financing mechanism, able to get large amounts of money to people on the front line of the fight against these diseases. And the early indications are that that mechanism is an appropriate balance between swiftness and proper oversight and that it is working... Secondly, the existence of the Global Fund has stimulated a very large number of proposals coming from public and private organizations in very many countries... And those programs contain a tremendous amount of innovation...

ON PROCUREMENT

Feachem: The Global Fund's procurement policies for drugs and for other commodities were agreed in October... There's a very strong commitment to lowest price, and to open and competitive tender processes and to transparency on prices. And we will be annually publishing the prices obtained for drugs using Global Fund resources... The existence of the Global Fund, even before the money has been spent or even before any large procurements have been made, has considerably stimulated the high-volume, low margin marketplace... For example, GlaxoSmithKline has made its lowest prices available to all countries that are in receipt of Global Fund grants...

We will ... have a list of approved and pre-qualified international procurement agencies to whom recipients of Global Fund finance can go to have the drugs bought on their behalf. And of course the bulk purchasing power of those international procurement agencies should have an additional strong affect in reducing prices...

ON SUPPORTERS OF THE FUND

Feachem: The community of committed people worldwide, be they activists, be they from communities living with these diseases, be they academics or concerned professionals... – have already had a huge impact on the creation of the Fund, on the design of the Fund, on the work of the Fund going forward... Our communications efforts so far have been small and there are still a lot of misunderstandings and a lot of people with a need to know who are not yet well-informed... [We are happy for people to] hold us accountable, be constructively critical, make sure that the Global Fund lives up to the promises that it has made. At the same time, I think that the other side of that coin is helping to manage expectation... There are some expectations in the Global Fund that are reasonable and that we should be absolutely held to, and there may be other expectations in the Global Fund which are beyond the bounds of possibility...

ON PROPOSALS FROM FAITH-BASED ORGANIZATIONS

Feachem: In Rounds 1 and 2, the applications from faith-based organizations were small in number and I would say fairly timid in their ambitions. I think because faith-based organizations were learning about the Global Fund and not completely confident that the Global Fund would support large efforts coming from faith-based organizations. Well, we certainly can and we're certainly enthusiastic [about supporting such applications].

Question: When you say you are very open to applications from faith-based organizations, do you mean faith-based organizations applying directly to the Fund, or do you mean applying through a CCM proposal?

Feachem: I mean through the CCM... There are a very small number of specified grounds for bypassing the CCM and they don't apply in most circumstances. So faith-based organizations, just like NGOs, just

like the private sector, just like corporations, have to come to us through the CCM if it's a one-country proposal, or through several CCMs if it's a multi-country proposal...

ON ROUND 3

Question: If country A already has an approved grant [from the Fund] for dealing with one of the three diseases, is it conceivable that that country could submit another proposal to deal with the same disease, but to tackle certain other aspects of it? Or does it have to wait until the two or five-year period of that first proposal is over?

Feachem: The answer is, yes, the door is wide open. Imagine Country A has been successful with HIV/AIDS in Round 1 or 2 – that same country is absolutely free to come back again in Round 3 for HIV/AIDS. So yes, the door is wide open to further proposals for the same disease. It could be a massive scale-up, it could be a different dimension of the epidemic that's being tackled, it could be more treatment whereas the first proposal was more prevention. Or it could be simply different actors. Imagine the CCM had come in in Round 1 or 2 with a mainly government-led proposal, it could come back in Round 3 with a more NGO- and civil society-led proposal. And we're seeing that. We are aware that a number of those kinds of add-on proposals in the same disease area are going to be submitted in Round 3 and we welcome that...

We very much welcome [bold proposals]. Boldness could be in going to scale, really thinking about scale because if we don't go to scale in all three of the diseases quickly, we're not going to make the impact we need to make. So bold and big, yes, definitely...

We have encouraged, informally, CCMs to issue Requests for Proposals (RFPs) to civil society as part of the round 3 process. So readers of your newsletters who are sitting on CCMs or have influence on CCMs might advance that idea of an RFP issued widely to civil society. Such a process in some countries could stimulate more innovation and more boldness in terms of what comes forward from NGOs.

Question: Imagine a CCM does formally or informally issue an RFP that encourages civil society within its country to submit proposals to the CCM, and imagine a CCM does receive proposals from, say, two different faith-based organizations and a couple of other aspects of civil society – not to work together, but each to do some terrific things, but [with] no particular integration of these things – can that CCM submit a proposal which proposes four or five independent projects?

Feachem: Yes, it can. A CCM is free to do that. In terms of how that would be regarded and interpreted by the technical review panel, I think the prospects for such a group of applications would be enhanced if it were accompanied by a covering explanation from the CCM that set these several strong proposals into a national context...

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