



Independent observer  
of the Global Fund

## SOUTH AFRICAN GRANT AGREEMENTS FINALLY SIGNED

After several false starts, the Global Fund and South Africa signed agreements on August 7 regarding three Round 1 grants that were originally approved over eighteen months ago:

- A two-year \$27 million grant to a consortium of government, private and civil society partners operating in KwaZulu-Natal (KZN) will promote the “continuum of care” in the province most affected by HIV/AIDS. “In retrospect, writing the proposal and getting it approved was the easy part,” said the project’s director. “The challenge now will be to roll out and scale up” the project.
- A two-year \$12 million grant will enable the expansion and acceleration of the National Adolescent Friendly Clinic Initiative, a partnership between loveLife and the South African Government.
- And a one-year \$2 million grant will support the ongoing development and implementation of two existing projects – Soul City and Soul Buddyz – that conduct awareness-raising and mobilization among the youth of South Africa.

The biggest problems arose with the KwaZulu-Natal proposal. The Fund has a policy that proposals must normally be submitted by national CCMs, or by sub-national CCMs approved by the national CCM. When the call for proposals was issued for Round One, South Africa’s Finance Minister, Trevor Manuel, said that South Africa did not need the Fund’s money. Accordingly, no South African CCM was created. KZN therefore developed its own proposal, which it submitted direct to the Fund. After it did so, the South African government shifted its position, declaring that the South African National AIDS Council (SANAC) would serve as the national CCM.

South Africa's Health Minister, Manto Tshabalala-Msimang, then insisted that the KZN grant should be distributed among all nine provinces, but the Fund refused, saying that either the grant should be used for the purposes described in the original proposal, or it should be cancelled.

A year ago, Dr. Tshabalala-Msimang met with the Fund's Richard Feachem to discuss the impasse. Both parties "agreed to work tirelessly to find quick and lasting solutions" to the impasse. But then nothing visible happened for months. This was caused partly by inter-ministerial confusion within South Africa. But the main reason was probably that the South African government was agonizing over its long-standing resistance to providing antiretroviral medications to residents with HIV/AIDS. This position was finally and dramatically reversed on August 8, just one day after the agreement was signed with the Global Fund.

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