



Independent observer
of the Global Fund

Michel Kazatchkine, the Fund's New Executive Director

After Michel Kazatchkine was selected to be the next Executive Director of the Global Fund, GFO interviewed him by phone. Here are excerpts from what he said.

On timing: I'll join the Fund as its new Executive Director as soon as possible after April 1, and definitely by the time of the April 25-27 board meeting. Between now and the end of March, when Dr. Feachem's term of office ends, I will in no way interfere in the Fund or its affairs, or be in the building, except for a meeting with Dr. Feachem during the week of March 19. I cannot start on April 1 because of a number of duties including in my clinic.

I'm currently in a listening and thinking mode, and intend to remain in that mode until I take office. So today I'm not in a position to be extremely specific [about changes I might want to introduce], but of course I've been thinking about them a lot.

On broad strategy: I said to the Board that I see no reason to revisit the Fund's business model at this time. I expect the Fund to continue to grow because the needs remain largely unmet, and because we need to strengthen health systems in order to consolidate the investments and ensure sustainability of the investments. I don't like the "horizontal versus vertical" debate [where "horizontal" means spending money on health systems, and "vertical" means spending it on specific diseases]. I do believe the Fund can gain major benefits from strengthening health systems. But I don't accept that vertical funds are unhelpful. As Executive Director I'm ready, on a scientific basis, to advocate for the disease-focused model.

The Fund's business model is efficient. 85% of the grants are working well; but let's try to get it to 98%; I think we can move towards that.

On size: I endorse the aspirational goal of the Fund raising \$8 to 10 billion annually, but we need a

strategy to meet the resource goal that we set for the Fund. I hope the Policy and Strategy Committee will be ambitious in both the goal it sets and its strategy to reach the goal. If the Fund is not ambitious, who will be? The added value of the Fund is its size and its ability to make a difference.

On the role of the public sector: If we talk of increasing the Fund's operations by billions, the primary driver is the public sector. We need to work with them on the sustainability of the resources. That means ODA [Official Development Assistance, provided by Western donor governments.] I'm still struck by the fact that although everyone has health as a priority for ODA, the health portion of ODA is growing less fast than ODA as a whole. And ODA as a whole is still behind the 0.7 percent goal that the international community has set. If they had met 0.7, we wouldn't have all these problems.

Then there is the need for innovative methods [for raising money from Western governments]. There are two models, with hopefully more to come. First is UNITAID [a new international drug purchase facility], to which I'm committed. The second is IFF [International Finance Facility]. IFF could bring the billions that are needed; I look forward to seeing greater progress with IFF.

On civil society: The involvement of civil society, and of people living with the diseases, is the unique feature of the Fund. It's "win-win" – the Fund has learned and benefited from the advocacy and other strengths of civil society, but it has also been of benefit to civil society, in that it has enabled civil society to acquire more institutional capacity.

On foundations: The move by Bill and Melinda Gates in Toronto [to give \$500 million to the Global Fund] was very significant. They are very strongly committed to advancing health in the developing world. But they don't want to build a new health channel that they control; they are confident in the Global Fund, and believe in its legitimacy. I'm really hopeful and confident that we can get more funding from the foundations sector.

Re the business sector: I think this is an open space; we are still on very preliminary ground. I hope and believe we can increase the Product (RED) initiative; I hope it will spread more into Europe. I hope we can also have other business sector initiatives. But I hope also that businesses can get more into co-investment [in which businesses in developing countries contribute their clinics, doctors, etc. to projects that are financed by the Fund]. I don't think that the private sector has a culture yet of working with multilateral entities like the Fund.

Re the UN system: When UN agencies provide technical support to GF-backed projects, they are not working "for" the Fund, they are implementing their mandate, and working for the global good. Everyone is cooperating to make the money work. One of my first efforts will be to establish a strong relationship with them. I've already spoken with Margaret Chan [head of WHO] and Peter Piot [head of UNAIDS].

Re the GF staff: The Secretariat has to be kept lean and focused. I'm not in favour of country offices for the GF. We can work with and through UN country offices to get better flows of information to and from the countries. As we enter the next phase of the GF, we can hope to have everyone at the Secretariat feeling confident, at ease, enthusiastic. It's up to me to be an effective people-oriented manager. I'll arrange for there to be a management audit to help us see where changes need to be made. I've sent a letter to all staff, through the Executive Director, in which I say that I want, within the limits of my physical abilities, to be always available for them. I will really focus on staff morale. I know many people there. They need a restored confidence and sense of stability.

Re whether the Executive Director should become a Board member (though without a vote): We need to work hard at distinguishing between the mandates of the Board and of the ED. The Board has at times had a tendency to micromanage. We need not so much a change in structure as a change of spirit. If the relationship between the Board and the ED is one of trust and confidence, and a spirit of one teamworking together, I don't see any further gain in making a formal change.

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