Michel Kazatchkine, MD: The Global Fund to Fight AIDS, Tuberculosis and Malaria
CSIS
February 18, 2009
Lisa Carty: My name is Lisa Carty. I'm the Deputy Director of the Global Health Policy Center here at CSIS. I'd like to thank our co-sponsors for this event, the Kaiser Family Foundation and the Friends of the Global Fight. We're very happy to have with us here this afternoon Michel Kazatchkine, a long time friend of CSIS and a leader in the global health movement.

I'm newly arrived here. In fact, this is the first of these events that I've been able to moderate, but I already feel quite at home. I think that's in part because CSIS is a very hospitable institution. I think it's in part because we serve very tasty box lunches. That's a bit of a bonus, but it's also because, particularly for this event, the Global Fund is an institution that I feel a very close association with.

Over the last eight years, I've followed its development with great interest from a number of different perspectives and I was one of the group of people back in late 2001, early 2002, that was involved with thinking about how to put together the Global Fund’s original architecture. And I have to admit at that point in time, I think few of us could have ever anticipated the impact and the success that the Fund has enjoyed.

The results truly speak for themselves. HIV, at this point in time more than three million people on ARVs, up from a
number that was probably less than 300,000 or 400,000 I think in early 2001, if that. TB, 50-percent increase in detected cases, simply over the last five years and I think even more remarkably, malaria. I believe in 12 African countries, 70-percent decrease in newly reported cases over the last several years, attributable to the Fund’s efforts.

However, these remarkable achievements have only come as the result of the collective efforts of many, of governments, both donor governments and governments that have hosted the Fund’s programs, of civil society, of communities of people living with HIV, and of the multilateral institutions that have supported the Fund’s efforts.

It has truly been a remarkable alliance. However, in sustaining the current momentum, achieving even greater efficiency in impact and indeed expanding the Fund’s program to the stated goal of eight billion worth of both ongoing and new efforts by 2010 is going to be a major challenge, particularly in the face of today’s economic crises.

Fortunately, the Fund has many friends here in Washington and I think the turnout today tells us this is going to be a very important and timely discussion. So, Michel you are really very welcome here today. But, before I give you the floor, I am going to invite one of our cohosts, the Kaiser Family Foundation, Alicia Carbaugh, to please come and offer a few words. [Applause]
ALICIA CARBAUGH: Well, thank you very much, Lisa, and also thank you to Steve Morrison and Karen Meacham and their team here at CSIS. The Kaiser Family Foundation has a very long-standing, productive relationship with CSIS and it is a partnership that we are particularly proud of. We're also very happy to be co-sponsoring this event today with CSIS and Friends of the Global Fight. On behalf of myself, Jennifer Kates, who unfortunately could not be with us today, and the Kaiser Family Foundation, I’d like to welcome you to this very timely discussion.

We are very pleased to have with us Dr. Kazatchkine to share his thoughts on the successes and challenges of the Global Fund and the current issues facing the Fund, especially in light of the global financial crisis, and issues that may be facing the Global Fund in the near future.

Yesterday, he touched upon some of his thoughts on these issues. He participated in Kaiser’s inaugural edition of our new live webcast series, U.S. Global Health Policy: In Focus, which is devoted to discussing current and critical issues facing the U.S. government’s role in global health. Each session will feature leaders in their fields talking about their experiences, some of the challenges they’ve faced in addressing global health challenges around the world.

Our first session surpassed our expectations, so for that we are eternally grateful for your participation. And
while today’s focus – the focus of today’s discussion will be a bit different than yesterday’s webcast, I know that the conversation will be no less rich and enlightening. So with that, I know we are eager to hear from our guest, so thank you and again welcome. [Applause]

LISA CARTY: I don’t think Michel needs much of a further introduction, but just a word or two. I think he is well known to everyone in this room, but Michel has worn many different hats over the course of his very distinguished health career as a very accomplished scientist, a researcher, a clinician, an advocate.

He has been associated with the Fund in many different ways, as the inaugural chairman of the Fund’s technical review panel, as a member of the board and then as vice chair. And immediately before becoming the executive director of the Fund, he served as France’s Global AIDS Ambassador. And actually, Michel, I think this month marks your two-year anniversary as Executive Director of the Fund, so congratulations to you and welcome. We are really very glad to have you here today.

MICHEL KAZACHKINE, M.D.: Thank you. [Applause] Thank you very much Lisa. Thank you Alicia, Alise, and thank you Steve, and good afternoon everyone. Thank you very much to CSIS, Kaiser and Friends of the Fight for this opportunity. It is a pleasure to be here in Washington and to have this opportunity to address you and have a discussion with this
particular audience here, in times where we have to talk about
global health, where we have to advocate for development. So
let me just say that I would like to touch briefly on four
areas here. One is, remind how seriously a downturn in the
globalizing economy can affect the poorest and the most
vulnerable and risks widening even further the gap between the
richest and the poorest countries.

Second, I would like to recall how the international
community now eight years from the Geneva G8 meeting in 2001,
which is an important meeting for us at the Global Fund. It is
the meeting where the first pledges came to the Global Fund,
how the world has so successfully taken on health as a key
means of reducing inequities between the richest and the
poorest.

I will then touch on the Global Fund’s portfolio and
about some of the innovations and development that the Global
Fund has brought and finally, I will discuss some of the
challenges that we presently face at the Global Fund. And of
course, the overarching theme of this presentation and of our
discussion has to be that we need to find, all together, the
means to ensure that development and particularly health in
development, remains a global priority and that the gains, the
extraordinary gains that were made in the last decade, are not
lost.
So, first on growing inequities in our globalizing world, as everyone knows well here, I guess, the overall number of people living in extreme poverty has quite significantly decreased in the last 20 years and as you can see on the slide, the proportion of people living in extreme poverty, below $1 a day, has declined from 32 to 19-percent between 1990 and 2004. And that decrease in poverty has largely been fueled by the unprecedented participation in the world economy of what is called the brick countries: Brazil, Russia, India, China, and there is no doubt that globalization has improved the lives of millions of people. But, let’s also be clear. Globalization has not been without its victims and the hundreds of millions of people left in illiteracy, hunger, disease and poverty.

What this slide shows in the arrow, in the red bar below, is that actually the share of the poorest quintile in national consumption in 2004 was 3.9-percent as compared with 4.6-percent in 1990, and that means that inequities have been increasing in the developing countries, whereas the mean overall poverty level in the world has increased.

And if inequities have increased within countries, they would have also increased in between the richest and the poorest countries. According to the WHO commission on social determinants in health, the gross national income of the richest countries in 2005 was, as you can see on this slide, 120 times the GNI of the poorest countries as compared to 60
times the GNI of the poorest countries 15 years ago. So, growing inequities.

Finally, one more slide, and this comes from the World Bank and this slide shows that developing countries are anticipated to expect a significant role in GGP growth in the next two years with the crisis. We talk a lot about the crisis in our countries, in our rich countries, but the crisis will impact severely on the developing world. And the World Bank, as you can see here, projects a markdown from 6.4 to 4.5-percent in 2009 for economic growth and this would translate in an additional 40 million people in poverty. So, the ripples of this crisis are likely to be enormous.

My point here is that inequities in health are, of course, among the most immediate, the most evident, and the first priority people talk about when we travel to and when you travel to countries. And when it comes to infectious disease and the data on this slide are familiar to all of you, of course, 90-percent of the burden of infectious diseases is concentrated in the developing world where as you know those countries would account for only 20-percent of the world’s wealth and only 12-percent of global expenditure on health. And AIDS, TB and malaria, although treatable and preventable, continue to kill over four million people every year.

This is a picture of Geneva. I already discussed why Geneva is so important to us at the Global Fund. But for the
reasons I just said, I would like to come back to Geneva and I would like to restate that equity should I believe in difficult times, economic times that we are facing, feature centrally in the debate about development eight, including inequities in access to health care. The rich cannot forget, in times of economic downturn, their responsibility to help minimize those inequities.

And if I go back to the Geneva G8 communiqué, it spoke of “breaking the vicious circle of poverty and disease.” Geneva was the meeting where the first pledges to the Global Fund were made with the promise that the funds should be operational before the end of the year. And Lisa and some of you in the audience were in Brussels in 2001 when we gathered together to design what would be a Global Fund and yes it was operational before the end of the year, actually December 31, 2001. And we saw, I think, and extraordinary example of what the world can do when it comes together with a common purpose.

Since 2001, we have seen an extraordinary increase in international resources for AIDS that exceeded actually 10 billion per year, 10 billion last year in 2008. And this slide now shows that a similar extraordinary increase in funding for AIDS did occur in this country in the U.S., with a U.S. contribution that went from less than half a billion dollars in 2000 to nearly $6 billion in 2008.
With new resources, we have also seen a lot of creativity around new instruments to fund raise and also to deliver health. GAVI and the World Bank, MAP, or multi-country AIDS Program, in 2001, GAVI has now been raising resources as you know in international capital markets through what is called the IFFIm, the International Finance Facility for Immunization. The Global Fund made its first grants in 2002. The U.S. committed to three significant initiatives with PEPFAR 2003, then the Presidential Malaria Initiative and a specific effort on neglected tropical diseases.

More recently, UNITATE was established in 2005 and a number of other new means of financing Global Health were generated. Two of those I will just mention relate directly to the work of the Global Fund. One is the Product Red Initiative that all of you would know here in the U.S., which is a branding and consumer led initiative that brought around 140 million U.S. dollars to the Global Fund in a year and a half or less than two years of existence.

And then Debt to Health, which from 2007 allowed me now to sign two agreements, one with Pakistan and the government of Germany, the other with Indonesia and the government in Germany, where by debt which is a totally inert thing can really be transformed into a creative finance for health because it is being converted into resources for the Global
Fund, that is a country such as Germany agreed to go into that arrangement with let’s say Indonesia.

And so Germany would take 50 million out of what Indonesia is indebted towards Germany and erase 25 million, provided that the remaining 25 million are actually invested by Indonesia into the Global Fund programs in Indonesia. So it is really turning debt money into productive money going to health.

And other initiatives let me here acknowledge, the initiative taken by Russia that decided to ultimately reimburse to Global Fund their grants and thus shift from being a beneficiary country to being a donor country. So, as a result of these efforts and of these new means of delivering health, we have seen dramatic changes and one you did mention, Lisa, is a dramatic increase in the number of people accessing antiretroviral treatment in the developing world. And that came from, as you said, less than 300,000 let’s say in 2001, 2002, to now actually four million people on antiretroviral treatment, of which more than two million are supported by Global Fund funded programs.

And when it comes to the population level now in Malawi or as shown here in Botswana on this slide, we are seeing signs of impact that is a decrease in mortality in addition to the decrease in morbidity at the population scale and you clearly
see here the correlation between decrease in mortality and
increase in access to antiretroviral drugs.

As you also said, Lisa, when it comes to TB, major
progress and what this slide shows is a sort of direct
correlation between increased global resources for TB and the
Global Fund has currently provided an overall two-thirds of the
available international funding for tuberculosis, a correlation
between that increased global resources and the number of new
sputum positive cases detected, and then as seen in the purple
line, the number of people eventually receiving dots treatment,
and though we estimate the Global Fund programs have now
allowed for an additional five million people to access anti-
tuberculosis treatment in the last six years.

When it comes to malaria, and you talked about the
spectacular results, I would like to show this particular map
showing how in just four years the coverage with long lasting
integrated bed nets has increased in the African continent and
we are now able to really think of achieving universal
coverage, I believe, in the next two to three years, and
hopefully reach the MDG, when it comes to malaria, perhaps
earlier than 2015.

This is another slide on malaria and what it shows is
the declining cases in malaria and declines in child mortality
here in Rwanda health facilities. But, we have evidence from a
number of endemic countries now, be it Rwanda, Zanzibar,
Eritrea, Ethiopia, Barunzi, also Kenya, Mozambique, Swaziland, South Africa, where substantial reductions in somewhere between 40 and up to 70 or 95-percent in Zanzibar, reductions in malaria related deaths have been observed in the last two to three years.

What this particular slide shows is that to the right of the slide a dramatic decline in outpatients and in inpatient cases relating to malaria in health facilities in Rwanda, as the incidents decreased of malaria case by 64-percent in these years 2006 and 2007, and as you may see with the dotted line, an increase in the case of non-malaria related illnesses taken care of by those health facilities.

So this is a direct evidence of one of the means by which what people call vertical funds directly impact, positively impact on health systems, because with a greatly relieved malaria burden, hospitals are actually capable to manage other health related conditions more effectively and these results in malaria, I really think are among the strongest signs ever seen that the world is actually able to act and to halt and to reverse major infectious diseases as we all aim at in MDG6. And this has led to the transformation in the lives of millions of people.

I shall not go into detail into the story of Marceline here for reasons of time, but I can’t prevent myself from just bringing one, very briefly, one story here. Marceline is one
of the people that were photographed in a project that the Global Fund has run with Magnum and some of you may have seen the exhibition at the Corcoran’s Museum this summer.

But, Marceline, when she was diagnosed with AIDS, had already lost two of her sisters and her husband to AIDS and you see here Marceline pictured as her brother takes her on his bicycle for a 15 kilometer ride to the clinic to get her antiretroviral drugs, and Marceline has regained much of her lost weight. She has regained life and she says that if it was not to take her medicines every day, morning and evening, she would actually forget that she has AIDS. And this is something we do have to keep in mind.

So, a few words about the Global Fund itself and looking at the audience I know that many of you are familiar with what the Global Fund is. It is a public private partnership, as we call it, an innovation public private partnership, and I like us to be called a public private partnership although I think this doesn’t quite capture enough the key role that the civil society is playing and has been playing in our activities.

It supports programs that reflect country ownership. That is it responds to country demand, to the requests formulated by local stakeholders in an inclusive national process that goes through what we call the Country Coordinating Mechanism or CCM. It only supports interventions that are
evidence based with all proposals being reviewed by an
independent technical review panel, and finally it is
performance based. That is, we go with disbursements,
disbursements that are dependent upon implementing countries
achieving the targets that we have been negotiating with them,
that they have set and that we have been negotiating with them
at the time of the grant agreements.

Our portfolio now, $15 billion in approved grants, of
which more than $7 billion have now been dispersed through over
600 grants in 140 countries, that is in all eligible countries,
be them the poorest countries of the world or some of the lower
middle and middle income countries.

As you see here, based on demand, about 60-percent of
the funding goes to HIV AIDS, 25 to malaria, 15 to TB, and this
is showing the Global Fund’s contribution to the increase in
the number of people receiving antiretroviral treatment. I
will skip this slide. We discussed it earlier.

This shows you the portfolio in malaria and TB and as I
said the fund now contributes about two-thirds of the
international funding that is available for both TB and
malaria, and this shows you the 140 countries with Global Fund
grants that is again all eligible lower and middle income
countries receiving at least one grant in one of the diseases.

The point of this slide is that the poorest countries
are specifically targeted by Global Fund so that the Global

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Fund resources overwhelmingly reach the poorest countries, as you can see here from the left to bars that correspond to the countries with the lowest per capita income.

Here is a little more about reaching those who are in need. For example, 60-percent of the funding so far approved by the Global Fund are for Subsahara and Africa, 65-percent of the overall funding that we have committed to support orphans just go to the Southern Africa region, which is of course the epicenter of the epidemic and of the orphan issue.

When it comes to diseases, 35-percent of our funding going on antiretroviral treatment goes to Southern Africa and when it goes to malaria and TB, as you can see on the slide, we are strongly targeting the countries with the highest burden of both diseases, that is 19 African countries that account for about 90-percent of malaria burden on the continent and the 22 so called high burden countries when it comes to TB.

And, still on reaching those in need and the vulnerable, this is a slide showing that the Global Fund when it comes to harm reduction programs that are so important to prevent the spread of HIV among IV drug users, we are funding actually harm reduction programs in all countries that are eligible to the Global Fund, in Eastern Europe and Central Asia.

Before the Fund, prevention in injecting drug users in that region was basically and virtually ignored. The Fund is
Michel Kazatchkine, M.D.: The Global Fund to Fight AIDS, Tuberculosis and Malaria 02/18/2009

now the largest supporter of these programs in the world, with an investment of close to $900 million.

I will skip this slide and I shall not go into the detail of the calculation. I am sure we will come back to this in the discussion because that is a most pressing issue of course is about our resources in 2010, but let me put it in a very simple way and not go into the scenarios here.

In 2007, our board looked at three potential scenarios of growth of the Global Fund, a low, middle and high scenario, and we are exactly when it comes to the demand that we have seen and the extraordinary increase in demand that we have seen in 2008, we are actually exactly following the middle scenario and we expect and we anticipate to reach the 8th billion figure in 2010 that Ulize [misspelled?] or Alicia, I don’t remember, mentioned in the introductory remarks.

And so, this is why I am coming here to Washington with a very clear and simple request that I realize will be a challenge, a request for funding of $2.7 billion for 2010 from the U.S. that is 30-percent of that $8 billion figure. Now I am putting forward this $8 billion figure as something we anticipate, something we foresee, something that I of course do not know whether it will be the real figure because again by definition we respond to the demand and I will only know by June and July how much demand will come to the Global Fund.
Let me say that obviously the resources are the driving force to sustainability and new resources and sustainable resources will be needed in our fight for global health, but sustainability is not only about resources. Sustainability is also about addressing the weaknesses of health systems and I will come back to that. Resource is also about ensuring that we are using the most effective interventions, that is interventions that are evidence based.

Sustainability is also I said on the slide promoting human rights, that is making sure that stigma and discrimination do not prevent those who are most in need to actually access preventive and treatment services and it is also progressive as we do in Rwanda, using the opportunities afforded by scaling up in global health to strengthen the social safety net in poor countries, that is having health insurance and social protection as part of the health system package, but it is also sustainability, building and strengthening our partnerships, our partnerships on the ground, with the bilaterals.

And I am here to actually express my gratitude to the many people I have seen on the ground, the PEPFAR staff, the USG staff, the embassies in countries where I travel and where I find people who are extraordinarily familiar with the Global Fund jargon processes and are truly committed to support the
Global Fund and to support countries in actually best implementing the programs that are funded with our resources.

I do think with the successes that I am discussing with you today, that we have to really think about what bilaterals can do best and what multilaterals can do best and where is the best added value of the two approaches in scaling up access to prevention and treatment.

On the multilaterals, there is still work to do and I know Bill Styger discussed that briefly when he was with you a few weeks ago. I fully agree that we need more flexibility here when it comes to the work of the multilateral agencies on the ground and more joined accountability for results and including I think a better proximity of those agencies with the Civil Society on the ground.

This is a slide mentioning again what I just did on our activities and our relationship with PEPFAR with bilateral PEPFAR that I think has truly been very successful on the ground including joint procurement of drugs and commodities, joint monitoring and evaluation, support for strengthening CCMs, the USG has put a number of specific drugs to help strengthening the CCMs that have been extremely useful but sure, we can do better, and we can do better with bilaterals.

In some countries, I have seen in common basket funding 24 countries sitting around the table to decide on
Michel Kazatchkine, M.D.: The Global Fund to Fight AIDS, Tuberculosis and Malaria
02/18/2009

disbursements and I think that can result really in gridlock and that is not the best way we should go for.

Let me finally address some of the challenges and of course the first challenge is that of health systems and let me again recuse this ridiculous damaging whatever vocabulary I could find here and debate about vertical funding versus funds versus horizontal funds and see if you did run this session on health systems in Mexico at the time of the AIDS conference.

I think we all agree AIDS, TB and malaria as we scale up have revealed the profound weaknesses of health systems in countries, that were existing of course before we would scale up but our ability to scale up these diseases have revealed those weaknesses like never before, but Global Fund and I would add GAVI and I would add bilateral PEPFAR have really changed the development paradigm here by supporting both access to preventive and therapeutic interventions and support to health systems.

I mean, GAVI, Global Fund, PEPFAR, and of course together with the IGA, you know, are the main funders of health systems. It is the vertical funds that are the main international funders of health systems and when I talk about health systems, I of course talk about the infrastructure, the procurement system, monitoring and evaluation, but I also talk about human resources and about data collection and operational research.
What the slide shows here is that we are currently devoting approximately 35-percent and that again is in response to the demand that comes from countries, 35-percent of our resources go to what you would generically call health system strengthening, monitoring and evaluation, a too small percentage, 3-percent infrastructure and equipment and human resources 23-percent and I was struck by how similar this figure is to PEPFAR which is actually devoting 32-percent of its resources so 35 and 32, very, very similar.

We do have a health systems funding gap, you know, Global Fund, PEPFAR, GAVI are as I said probably the biggest financiers of health systems in the world today but we cannot do it alone and here I would like us all to be somehow honest with ourselves.

The commission on microeconomics and health in 2001 said that we would need somewhere about 35 to 50 U.S. dollars per capita, per annum in order to insure that people access a basic health package and if we are serious about health system strengthening, we should realize that now as the world spends about $10 or $12 U.S. dollars per capita, per annum, we will not be reaching full capacity in building health systems unless we have major additional resources.

So again, let’s focus on the resources. Let’s focus on plans with targets. Let’s rather than spending time on sterile debates between vertical interventions and horizontal health
system strengthening which I really think is just a cruel
destruction.

Let me just dwell for a second on the role of the Civil
Society and here is a trainer in malaria teaching a village on
how to use bed nets. Currently as you can see on this slide,
about 50-percent of the funding from Global Fund goes to the
Civil Society or to let’s say non-government organizations at
large including faith based organizations, community groups,
the private sector, and organizations of people living with the
diseases.

I am very pleased that in the last round, round eight,
we could offer people the opportunity to apply for funds that
would go specifically to community system strengthening which
is very much needed on the ground. May I also remind those of
you who are not so familiar with our Global Fund jargon that
when countries apply to Global Fund, they now can apply to what
we call duel track funding, that is in the grant application
have two principle recipients for the funds, one from the
government and one from the non-governmental sector.

Private sector is an important component of our
partnership. I will talk briefly about Product Red, but there
are other efforts and very significant efforts from the private
sector when it comes to resource mobilization, the contribution
of the foundations and particularly the Bill and Melinda Gates
Foundation, and Chevron that was the first large company to
join in what we call a corporate champions program but there are many other ways by which the private sector also contributes to the funds through cofunding of programs on the ground and through pro bono services that are helping implementation.

When it comes to data quality, again something that was actually I picked some of the points that Bill raised in his talk because I think it could be a good platform for the discussion here, we do have a number of strengths I believe at the Global Fund and the major strength, and that follows the principles of the Paris declaration and of the ACRA Agenda for Action is managing for results, that is we promote the use of data for funding decisions and therefore we also are ready to commit funding if countries request for it, funding to be used for M&E strengthening.

We also have in country data verification; all data that come to us are verified in country for each disbursement with also onsite clinic checks each year in periodic audits. But we do also have challenges and weaknesses. We have gaps in surveys and surveillance that is not specific to the Global Fund.

Let’s not forget that most of the countries where we are funding programs actually do not even have the basic demographic data. We do have challenges with the partners to truly align and join the support monitoring and evaluation, and
there are issues around incentives to use evidence and data to improve programs and you may have seen one of the articles on this topic in *The Lancet* from Chris Murray on some of the GAVI data recently.

Finally, procurement and here I would like to acknowledge Bill’s comment on the fact that the Fund has largely supported procurement that creates no distortion in markets and respected intellectual property but Bill also raised the question of whether the Fund can achieve the best value for money.

And it is probably true that a number of countries, we are again a system of country ownership so it is probably true that some countries can do better when it comes to value for money in buying drugs, and there is attention between the principle of country ownership and how much value for money you can actually get when it comes to buy drugs. This is why we have now introduced what we call a voluntary procurement so countries that wish so can actually adhere to a central procurement by the Global Fund.

But let me also say that there are limits to what we can hope and here I will just show you, and these are my last slides, two examples. First, the example of ACTs and as you can see in the last three years, ’05 to ’07, when it comes to ACT we have witnessed both a decline in the median price of
ACTs as well as a decrease in the range of price in between countries that are purchasing ACTs with Global Fund money.

When it comes however here with second line ARVs which as you know is and will be a major challenge in terms of cost, we have seen a decrease in the range of prices in between countries that buy the ARVs but basically no change in the median price of the drugs.

So let me just finish with a few summary points. I have been discussing the fact that health is a key investment for development and for reducing the inequities between the Global North and the Global South, that more important than even in the financial crisis which has focused on the poorest and the most vulnerable, that investments in health are showing results and impact and I think that is the strongest piece that we can bring to our advocacy, to the new administration on the hill, and to decision makers at large to the G8 in La Maddalena in July.

I have talked about the increased convergence of donor political economic and security interests, something you are discussing at CSIS with Global Health outcomes, again I think a strong piece of our advocacy, and the fact that AIDS, malaria, TB treatment and health systems challenges highlight the need for long-term effort and lifetime commitments but in fact as I discussed the fact that sustainability is not just about resources, so 2009 and 2010 to me are absolutely key years.
Michel Kazatchkine, M.D.: The Global Fund to Fight AIDS, Tuberculosis and Malaria
02/18/2009

It is years where we will either fail or succeed after building these successes that I discussed in my presentation, in the last six years, I truly feel these are mission critical years, 2010 will see the replenishment of the IGA at the World Bank and the replenishment of the Global Fund for 2011 to 2013. That will take us to January 1st, 2014, one year prior to the deadline of the MDGs, and it is also a critical year for GAVI, so in the next two years the poor of the world will really be watching to see whether we keep our financing commitments for global health in difficult times.

A second opportunity I see in these two years is for us all to focus more than ever on results. As I said, I think results and impact are our strength and at the time, you know, when the world devotes so much effort to rescuing institutions that have failed, I think, I hope it will also spend equal effort on institutions that actually work. [Laughter] And this means of course targeting resources in an efficient and cost effective manner as we discussed, building a partnership with the Civil Society and rewarding good performance.

The third opportunity and I have said that two or three times in this presentation already is and that is an imperative of course is acting to ensure that inequities between the rich and the poor are not further exacerbated by the financial crisis and now is a time to ensure that the gains we have made since Genova 2001 are not lost.
And so let me just finish on some quotes again from Genova, and I really invite you to reread that communique. I find it extraordinary. Genova was really a time with a vision and in times of crisis of course we tend to lose that vision. We tend to be somehow in fear, in defensiveness, in bureaurocracy somehow, limiting ourselves to what might be feasible rather to than actually reaching to fulfill ambitious commitments.

The Genova G8 Communique spoke of taking “a quantum leap in the fight against infectious diseases.” It said “breaking the vicious circle of poverty and disease once and for all.” It spoke of the G8’s “determination to make globalization work for all our citizens and especially the world’s poor.” So, it is that spirit of determination and commitment to equity in global health that should guide us in our advocacy effort and should guide us to the next G8 and beyond, so thank you for your attention. [Applause]

LISA CARTY: Michel thank you very much for that comprehensive overview and for your willingness to be honest about what the accomplishments have been and also honest about what the remaining challenges are and I like very much the note that you ended on because I think it is actually very important to look back before we can really look forward about where it is that we need to try to be going between now and 2015 or whatever deadline we want to set for ourselves.
So we have probably about 20, 25 minutes for some questions now. And what I would like to suggest we do is that we maybe group them in three or four questions at a time, just for time efficiency sake. And I am going to ask my colleagues here who have microphones if they will help get around the room and actually particularly if you could keep an eye on this corner over here because it is hard to see beyond the podium. So, we have a question right here in the front row, I think.

**MATT CAVANAUGH:** Hi. I am Matt Cavanaugh from the Results Educational Fund, Michel thanks for being here. It is I think a key moment for you to be here and kind of sharing these messages with D.C. and so on that note I have two questions for you specifically about what those in this room can do.

It seems like we have an incredible opportunity right now in that for all of the success of the last administration on HIV and AIDS, one of the things that administration asked last year for a cut in half of the U.S. contribution to the Global Fund. Congress was able to get it up to level funding but that is a real challenge, right?

We now have an administration that ran all of the people in major places said on the campaign trail said that they wanted to fully fund the Global Fund, so what do you need from folks in this room to help make that clear, bold case that
Michel Kazatchkine, M.D.: The Global Fund to Fight AIDS, Tuberculosis and Malaria

02/18/2009

this is exactly what this new administration’s kind of vision for foreign policy is?

And then on the other side of not just funding available, but also demand, right, I think we have a massive worry that countries will get a very clear message from the last round of funding in which for the first time we were not able to fund at the full levels requested, all of the funds requested because there had not been enough donations, that countries will pull back, right, that they will stop expanding and they will a problem of demand and that we won’t have demand to reach this eight billion, even though we know that it is needed from past years so what can we do to kind of solve that problem as well? Thank you.

LISA CARTY: Is there another question we can take, please, in the third row there? Let’s take both questions together.

JENNIFER RADNER: Hi, good afternoon. My name is Jennifer Radner. I am with the International Woman’s Health Coalition, thank you for being here today. My question is related to the Global Fund gender equality strategy, could you speak a little bit about the plans for implementation of the strategy? Thank you.

JANET FLEISHMAN: Perfect follow-up, my name is Janet Fleishman and I wanted to also ask you to speak a word or two about the interesting development of this gender strategy both
about women and girls and about men who have sex with men and the piece on the women and girls side that is focusing on integrating sexual and reproductive health and HIV services.

MICHEL KAZACHKINE, M.D.: Okay, thank you, I mean already two key questions, although very different. Matt, on your question, let me on the first point say that what people in this room can do, I mean this room is filled with some of the strongest groupings of people when it comes to advocacy in global health so the message is in times of financial crisis, in times where budgets are a danger and although somehow many of us feel that perhaps when it comes to funding development, development funding may not be as “soft funding” as it would have been in the '80s or the '90s.

Clearly, there is a source of major concern for all of us, so the message is that is altogether advocate for development and development aid to be a priority of the foreign policy of the new administration and let’s advocate health, health in addition to education and health as being one of the priorities in development because health is the most as I said immediate and evident of the inequities because by fighting AIDS, TB and malaria.

We are directly fighting the erosion of human capital that these epidemics are generating in the developing world because also we have shown the world what we can achieve. We can be fully accountable in the money we have invested and we
can show results and impact and progress in global health as never seen before in the history of public health, so we do have these I think very strong arguments in advocacy and this is the first thing I would like to ask from the audience whether people here are in government or non-governmental organizations.

I agree with you when it comes to the risk that the trust that countries have built in the Fund and in general in aid may suffer if we are not keeping to our commitments.

Looking back at the history of the Fund and I can’t prevent myself from looking at the second row here in the audience, but Scott, Margaret, Judy, you remember, 2002, 2003, the requests coming to the Global Fund were sort of very shy projects like the type of project that would be funded like the bilaterals used to do in the '80s, you know, a pilot project of 300 people, antiretroviral treatment in District 121 in the north and eastern part of Kenya, yes?

Nothing to do with the scale at which we need to address the diseases because countries were still looking into what is this new instrument and will that be sustainable? Will that be expanding? And then progressively, that trust came. I think the trust from the donors and we saw that in the 2007, very significant replenishment of the Global Fund, and the trust from the countries. To me, the unprecedented demand that we saw in 2008 is really a very strong sign of that trust.
So, yes, there is a risk of losing that trust with I think which is of course a major risk for the people who are in need of services and would not access those services, but let me also say bluntly I think it is a political risk as well, and this is where it comes to the discussions you are having so often here at CSIS about health is politics, and health is - global health is foreign policy.

I wouldn’t necessarily say that in Round Eight the Global Fund board, but that is more of a technical discussion for it wasn’t able to fund. I think in times of crisis it is also not unreasonable that we try and find as much efficiency gains as we can and 10-percent as you know is not a 10-percent decrease in funding that is arbitrarily applied to each grant. It is our effort to try and find those 10-percent efficiency gains as we negotiate grants. It will be easy in some cases, more difficult in others, and it is also efficiency gains that we have to apply to ourselves in the functioning of the secretariat.

Now, thank you, both of you for your questions on gender. We will be presenting the paper on implementation to our policy and strategy committee around March 15th so I don’t want to expand too much here on that, but let me say that fighting the inequities relating to gender as a driving factor for the AIDS epidemic in the world, addressing gender inequities, fighting violence against women, supporting more
strongly sexual and reproductive health are clearly in our priorities.

Let’s also be clear, Global Fund is not a top down organization. We are not deciding for countries what they want to do. So, I will follow Matt’s call, it is also your responsibility, our joint responsibility to make sure that countries when they send us their requests, you know, our strategy basically is to show that we give a high priority to these issues but we will not fund something that the countries do not request us to fund. So, it is our common responsibility to actually have all of these issues very high on the agenda after countries when they submit their requests to us.

LISA CARTY: Further questions?

AHMED MERE: My name is Ahmed Mere. I used to be dealing with science policy at the state department for many years. The question that I am asking is maybe tangential, I don’t know so much about the Global Fund, but what are you doing in terms of long term leadership in these countries in terms of for both research collaboration and building up expertise, because at some time you want to see both facilities for drugs being manufactured in these countries and leaders in these countries.

Also, something that I found very difficult and I imagine it is involved here was the IPR issue. For example, there was a vaccine institute in Korea when I was there and we
Michel Kazatchkine, M.D.: The Global Fund to Fight AIDS, Tuberculosis and Malaria
02/18/2009

couldn’t get support all the way from the U.S. and many countries to develop vaccines, vaccines really that are important to the developing countries. Thank you.

CHARLOTTE CAULDIN: Thank you. My name is Charlotte Cauldin and I work for PATH. I had a somewhat related question. I noticed in your presentation which was very good, thank you very much, the importance of M&E and health system strengthening and specific mention of operations research as an important part of that, yet only 3-percent of Global Fund monies are going to M&E and 5-percent are going to academic institutions and as someone who is responsible for supporting a lot of these activities, we often find that the first thing cut out of the budget is the impact evaluation of operations research or that when it is funded there is very weak capacity so I am curious to know your thoughts on through the future especially in the context of the financial crisis for building up the local research institutions and capacities in country.

LISA CARTY: Let’s go over here to the front row.

ERIC WILLIAMS: Michel thank you for joining us today, a question about health system strengthening. My name is Eric Williams and I work with Physicians for Human Rights, but specifically on the health work force advocacy initiative which is a civil society like initiative affiliated with GWA, in reviewing the TRP review for health system strengthening, there were about 45 requests for grants funding, only of which 25
were recommended for funding. There seems to be a little bit of a gap in terms of how do we encourage more countries to make specific requests for health system strengthening?

There seems to be clear bottlenecks to where the Fund might be able to kind of clear up the law gym if you will in terms of making it more clear as to how to put in those requests for funding and I am wondering what are your thoughts on how to raise the level of interest in countries so that there are more requests for health system strengthening? Because I think we would all agree that at the end of the day you really can’t address any of the three diseases unless you have a strong system for health.

**LISA CARTY:** Let’s take one last question right in the front row here.

**FEMALE SPEAKER:** My question fits in nicely with what you have just said about health system strengthening. I know the Global Fund and PEPFAR both under the leadership of Mark Dybul and you, they have really done excellent work for health system strengthening and I am just wondering how we could accelerate this?

In any given country, take Africa or Asia or Latin America, Caribbean, nearly 40-percent of the health system is helped by faith based organizations, often mission hospitals and clinics are in places where government dare not go. If you concentrated on this sector as well, which is so strong
already, maybe we could accelerate the health system strengthening and I would like to know your views.

I saw that 5-percent of it goes to faith based and what can we do? If we rely on CCMs, there is a whole government bureaurocracy and what else could we do? I know you are an innovator. You are a pioneer and you are very dynamic. You will do it. [Laughter]

MICHEL KAZACHKINE, M.D.: Thank you. Well, that was the answer to the question. [Laughter] Thank you. Shall I just take those few questions, well, let me have the questions relating somehow to research together.

First I fully agree with you that without support to leadership, to let’s say governance at large, we won’t achieve sustainable results in global health, but the Global Fund cannot do it all by itself and that is something I would like to emphasize clear here.

Our mandate and the mandate we received from the international community when it came together in 2001, the public sector, the governments from the north, the governments from the south, the private sector, the Civil Society, the communities affected by the diseases, the multilateral agencies all coming together, the mandate was we have to do something to bring to scale, to real scale, the interventions aimed at prevention and treatment so that is our basic mandate.
So, I have been in my career one of I hope of the strongest advocates for investments in research and innovative technologies for prevention and treatment and vaccines but when it comes to Global Fund, that is not the mandate of the Global Fund.

However, the mandate of the Global Fund is to learn the lessons as we implement from what we are doing so as to improve our means of implementing and that is a new science called operational research and operational research I truly believe is in the mandate of what we should fund. Operational research is a sort of real time assessment of what is being done and the multidisciplinary approach to that assessment from clinical science to social science to economics and to geopolitics.

Countries, when they apply to Global Fund, can request for up to 10-percent in a grant for operational research but I must say that and I would agree with you both, there is a bit of a vicious circle since there is so little research capacity actually being built in countries. That is one of the reasons that for which operational research is not actually a priority and a request for funding operational research in the grants that come to us are extremely, actually extremely small.

Yes, the 3-percent figure for monitoring and evaluation, I would agree with our colleague from PATH is too small. Again here, we are responding to what country’s decide to be their priorities and it is our as we all feel how the
amount of data and the quality of data are important to all of us and to the success of the programs to programming the interventions, we need to help countries to actually invest more into M&E and that advocacy is to me the role of our partnership.

And I keep saying that the Global Fund is not an institution talking two partners but the Global Fund is a partnership by itself. We are made of partners. Sorry to be pedantic. I say we are ontogenically a partnership, yes, and so within that partnership we have WHO, we have World Bank, we have UNAIDS, we have UNICEF, we have the bilaterals, the USG among others, that on the ground have to help countries to actually have M&E higher on the priority agenda in the request and it is a bit of the same answer as I gave to our colleagues on the gender strategy.

When it comes to health system strengthening, again I would partly answer your question by saying the partners in the partnership, this is a very fragile model, a model entirely relying on the partnership and all of us in the room know that partnership is functioning in places very well, with much strength, and in other places it is just very weak. It depends on institutions, it depends on individuals, it depends on a number of factors.

It cannot be controlled top down, it can only live from our efforts to nurture that partnership and to have partners
constantly feeling in countries partners, the WHO
representative, the UNAIDS, the UCC, the representative from
the USG, the embassy and or the PEPFAR representative, that
they own the Global Fund. We all own the Global Fund.

On one of my slides, I was saying I didn’t read it
actually, that the Global Fund is truly a global public good.
It is our collective public good and we all own it and so if
the partners do not fulfill that role of actually helping
countries to realize what you are saying, that we need more
effort, more structured effort on health systems, then those
requests will not come to us or to GAVI, but let’s say there
are difficulties there.

The first is that it is difficult to find the proper
indicators, yes, so to have health system strengthening enter
into what all of us wish, which is a performance based model
for funding and for disbursements, then there is an issue about
resources. I said in my talk that if it is to go from $11 per
anum per capita to $11.5, you know, that is not the way we will
truly move the health system issue.

But let’s also be careful saying that – you said
something like we won’t be able to scale up further without
strengthening health systems, I think the demand that we have
been receiving from countries in Round Eight and the demand that
I somehow anticipate we will be receiving in Round Nine is the
very example that actually countries have understood how they
can in parallel build demand for commodities and delivery of preventive and treatment interventions and in parallel to that health system strengthening.

But health system strengthening for health system strengthening is I really believe something that won’t work unless we have the $50 per anum and per capita and then we would say okay we have that money, how do we best allocate it to strengthening health systems?

At this time, what we have to do is to use every opportunity, every most cost effective opportunity as we scale up interventions on the three diseases that are the number one killer diseases in the developing world to strengthen in parallel health systems, not for the sake of strengthening health systems, but for actually being better and better able to deliver prevention and treatment in these countries and that is somehow answering hopefully the first part of your question.

The second part was about faith based organizations. There is nothing that prevents that 5-percent figure to actually grow and a few months ago, a year ago in Washington we had a meeting with faith based organizations and I was meeting with some of you earlier here and you have the manual with you on how faith based organizations can access.

Here is the manual, thank you for the publicity, that how can faith based organizations access Global Fund funding? So it is, but I would take your point that sometimes it is
difficult to find your way through the CCM. The CCM is a very democratic concept. It is built on what we see as an ideal world, you know, like [inaudible] where indeed all stakeholders come together, the government, the faith based organization, the Civil Society, the vulnerable groups, the bilaterals and multilaterals.

The reality is that again in some places it works extremely well. In some places it doesn’t work at all. But the reality check is also that let’s be true to ourselves. It needs a little time. Global Fund is really “operational somehow” I think since maybe 2004, so it is a 3-1/2 year old child. Those CCMs require a little more support and a little more time to really be easily accessible as we would all wish, and that tension between how urgent are the things that we need to do and how slowly some of the means, progress is a tension we live every day.

LISA CARTY: I am going to apologize in advance because we need to be out of here right at 2:00 but I think if we speak fast, we have time maybe for a last question or two so the lady maybe with the pink turtleneck and the gentleman in the green shirt please, and then let me just say Michel will be around for a little bit afterwards. We can adjourn to the back and there will certainly be some time if others of you have pressing questions that you can speak with him briefly when we are done.
KELLY CURAN: Thank you. My name is Kelly Curan from Japaigo Johns-Hopkins University, just a quick question. I very much appreciate how field driven the Global Fund is and responsive to what countries put in their proposals but I was wondering if you could speak a bit about the role of the technical review panel, in particular in guiding maybe the balance of what interventions are funded under proposals.

I am thinking particularly of balances between treatment and prevention in the area of HIV and some of the emerging prevention interventions such as male circumcision for example which countries have not been so eager to take up or many countries in Southern Africa have not been so eager to take it up. Does the Global Fund see a role in gently encouraging countries to pursue those interventions?

AARON ROSAMAN: Thank you very much. I’m Aaron Rosaman [misspelled?] from Pan American Health and Michel thank you very much as usual, very clear and to the point.

Two observations, one I think that you’ve been at least shy, I think one of the main impacts that the Global Fund will have in development is the CCA, in the sense that it is forcing the cohabitation of the public and the private sector in the countries which sometimes sense of lacking. [Inaudible] but I think that learning how to do it is also part of the important thing but my question really has to do with something a little different.
Michel Kazatchkine, M.D.: The Global Fund to Fight AIDS, Tuberculosis and Malaria
02/18/2009

The new window of the Fund, which has to do with the support of national strategies, for those who are not familiar, it is by invitation only, some countries are being invited to apply for supporting their national studies. In a certain way that means that the Fund is taking a more technical role of accessing the national strategies, which is not what was the mission in the beginning of the role of it, so how are you dealing with that subject? In other words, who decides whether the strategy in Country X is worthy of support? Thank you.

LISA CARTY: And these are both relatively complex questions. [Laughter]

MICHEL KAZACHKINE, M.D.: Thank you for the questions. They are important questions. First, the TRP can take strong stance and it is never easy to speak about ones health, but in the first session of the first TRP in 2002, we decided that we would just not consider an HIV request that would not have both treatment and prevention and if you remember those years, 2001 and 2002, these were still years where people were discussing whether resources being scarce, one shouldn’t go for prevention “rather than for treatment” and it wasn’t sort of required dogma that one is complementary to the other and the two should go together, so that was a decision of the TRP.

But the answer to your question is the board of the Global Fund, having all the constituencies that I have been mentioning throughout the discussion, all members of the
Michel Kazatchkine, M.D.: The Global Fund to Fight AIDS, Tuberculosis and Malaria
02/18/2009

partnership, encourages a number of things. That is how we push the gender strategy, the sexual minority strategy that you mentioned.

I hope an IVDU strategy in the coming months, and encouraging countries to apply for health system strengthening. That is what the Global Fund can do with a limit which is again that to me the principle of country ownership must be sacral saint. This is a key to the medium and long term success of our development efforts. For too long, the world or the rich world has been deciding for the others what they should do.

So, when it comes to male circumcision I find it very difficult. I would agree with you reading the papers and I actually in a former life I was the first sponsor of the first trial on circumcision in South Africa. Reading the evidence from the literature, there is just no doubt about how effective that intervention may be, but then when it comes to I don’t think it is just countries not taking up male circumcision, it is countries facing the many, many challenges that scaling up such an intervention would represent.

And again it takes time, it takes cultural time, it takes political time, it takes also technical support and maybe it is still a little too early and again there is a tension between how much the urgency and how much we would achieve and the time that is needed to do a number of things. Not a very good answer, but that is the one I can provide you with.

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NSA, Herman, very important question. Let me just very briefly say that Global Fund in the very beginning has been funding projects, then more comprehensive programs, and now is opening to funding national strategies, although I see the continuum there, of course, you know the TB national - a program on TB that we would have been funding in Round 7 or 8 is very, very close to actually funding a national TB strategy.

And of course one of the things that TRP has been looking at from the beginning is how consistent is the program that is submitted to us for funding with a national strategy, but here we would be presented with a national strategy that other donors could potentially also use as a basis for funding.

I fully agree with you, it is not up to an external entity to validate a national strategy and I was quite firm on that in a recent intervention at the meeting of the international health partnership in Geneva. To me, a national strategy is validated by the country and owned by the country and I don’t believe there is such a thing as a supranational body, you know, that universally gives its blessing to national strategies, however in order for a donor to fund something, it needs that the donor sort of approves the content of what has been validated by the country, so for now, that is for 2009, in the experimental first wave of national strategy applications by invitation only as you said, the TRP will be working in a totally different way from the usual way.
The TRP will first start with a desk review of all available documents, documenting a national strategy in a given country. It will not ask the country to write anything new, just send in all the documents they have and if that desk review confirms that the country has indeed in its strategy all of the attributes of what a group currently chaired by the World Bank and WHO has considered to be the necessary minimal attributes in a strategy, then the TRP would engage in a dialog at the country level with the country, going to the country to how to improve and fine tune that strategy.

And then the country would write and send to the Global Fund a financial request and only a financial request without the narrative of a proposal saying we have worked with you on the national strategy and we know that World Bank, we know that U.S. government, we know that PEPFAR will fund this or that part and thus our financial request to you, Global Fund, is X-percent of that strategy.

So, as we move to that, I think we will move to funding comprehensive programs that are much more integrated, much more harmonized and aligned as we all aim at, you know, by adhering to the ACRA Agenda for Action and Paris Declaration principles, but, Herman, it is work in progress.

LISA CARTY: So, one of the less gratifying aspects of being the chair is to have to bring such an interesting discussion to a close, but I am afraid we do need to do that,
so actually I want to thank all of you for your participation, for the great questions.

Please join me in thanking Michel for his candor and his insights and being with us today. [Applause] We will have some time for further discussion in the back.

[END RECORDING]