

Multilateral Aid Review: Assessment of the Global Fund to fight AIDS, TB and Malaria

Summary	
Organisation: The Global Fund to fight AIDS, TB and Malaria	Date: February 2011
Description of Organisation	
<p>The Global Fund is a global public/private partnership that raises and disburses funds to prevent and treat HIV/AIDS, tuberculosis and malaria.</p> <p>Since its creation in 2002, the Fund has quickly become the biggest multilateral funder of the health related MDGs. It has approved a total of US\$ 21.7 billion to 150 countries. The Global Fund now contributes 25% of all disbursements for the HIV response, 60% of external financing for TB control and 70% of Malaria international financing.</p> <p>The Fund operates through a unique country led approach, supporting applications made by national Country Coordinating Mechanisms (CCMs) which also nominate Principal Recipients who are responsible for implementing prevention, care and treatment programs or passing the money on to other service providers.</p> <p>To date, programs supported by the Global Fund have saved 6.5 million lives through providing AIDS treatment for 3 million people, anti-tuberculosis treatment for 7.7 million people and the distribution of 160 million insecticide-treated bed nets for the prevention of malaria. All its budget scores as ODA.</p>	

Contribution to UK Development Objectives	Score (1-4)
<p>1a. Critical Role in Meeting International Objectives</p> <ul style="list-style-type: none"> + The Global Fund is critical in the delivery of health related MDGs and has been the vehicle for a rapid expansion in the financing available for HIV, TB and Malaria + Global Fund support has catalysed and supported important and innovative policies and programmes in many countries e.g. for Voluntary Counselling and Testing for HIV. - It is, however, operating in a relatively crowded global health field. = It is now and is likely to remain a key partner for implementing countries and a major financier and supporter of existing and new approaches to tackling the 3 diseases 	<p>Strong (4)</p>
<p>1b. Critical Role in Meeting UK Aid Objectives</p> <ul style="list-style-type: none"> + Its focus is primarily on MDG 6, with an important impact on MDGs 4 & 5. - Funding patterns suggest that the Fund is reasonably 	<p>Satisfactory (3)</p>

<p>well aligned to burden of disease, though it could be even more so.</p> <ul style="list-style-type: none"> – The UK also prioritises investment in the underlying systems needed to support sustainable improvements in health services for people in poor countries. = The Fund’s impact on Malaria and Reproductive, Maternal and Neonatal Health (RMNH) means that it will remain a significant vehicle for delivering on DFID’s strategic priorities. 	
<p>2. Attention to Cross-cutting Issues:</p> <p>2a. Fragile Contexts</p> <ul style="list-style-type: none"> – The Fund does not have a policy to actively favour fragile states. – The Fund uses the same business model in fragile and non fragile states which causes some problems because of weak local capacity in Country Coordinating Mechanisms and in choice of Principal Recipient. + However, by the end of 2009, the Fund had committed \$5.9 billion (41% of its overall portfolio) in fragile states. – But some programmes in fragile states perform less well than elsewhere. = The Fund’s policies and practices are not sufficiently flexible or responsive to fragile contexts given the high share of fragile states financing in the Fund’s portfolio <p>2b. Gender Equality</p> <ul style="list-style-type: none"> + The Technical Review Panel (TRP) undertakes a thorough assessment of gender relevance of all proposals. – Evidence suggests that the quality of proposals in terms of addressing gender issues has been poor. = Partners need to be supported to integrate gender appropriate programmes. <p>2c. Climate Change and Environmental Sustainability</p> <ul style="list-style-type: none"> + Policy discussions of the impacts of climate change have been held. – The Fund has no stand-alone environmental policy = Policy discussions need to be translated into operational strategies. 	<p style="text-align: center;">Weak (2)</p> <p style="text-align: center;">Satisfactory (3)</p> <p style="text-align: center;">Satisfactory (3)</p>
<p>3. Focus on Poor Countries</p> <ul style="list-style-type: none"> + GFATM spends 60% of its resources in the countries in the top quartile of an index that scores developing countries based on their poverty need and effectiveness (the strength of the country’s institutions). – Although it spends substantial resources in Low income countries, it also spends significantly in middle-income 	<p style="text-align: center;">Satisfactory (3)</p>

<p>countries. This is the main reason why it doesn't get the highest possible score.</p>	
<p>4. Contribution to Results</p> <ul style="list-style-type: none"> + By June 2010, an estimated 5.7 million lives had been saved through Global Fund-supported interventions; 2.8 million people with HIV are receiving life-saving ARV treatment; 7 million people with TB have been effectively diagnosed and treated; 122 million treated bed nets have been distributed. - However, there are some clear weaknesses and bottlenecks in the business model which impede faster progress and even more impressive results. = Weaknesses in 'Partnership Behaviour' impact substantially on delivery. The Fund needs to improve its partnership behaviour if it is to sustain existing health gains and have a greater impact going forward. 	<p>Satisfactory (3)</p>
<p>Organisational Strengths</p>	<p>Score (1-4)</p>
<p>5. Strategic and Performance Management</p> <ul style="list-style-type: none"> + The Fund is a results-focussed organisation; the quality and depth of reporting is very high, + There is a strong corporate performance reporting system, including good evidence for flagging poorly performing grants - But there is a lack of senior management attention to speedy resolution of portfolio problems - Staff morale is not as high as it should be. = High quality reporting allows donors to hold the Fund to account but management and staff incentives are not yet fully aligned behind this. 	<p>Satisfactory (3)</p>
<p>6. Financial Resources Management</p> <ul style="list-style-type: none"> + Standards for financial management and audit are very high. - The time between grant approval and disbursement is not quick enough and a persistent issue for the UK is the large 'cash balance' on the Global Fund's books. = More needs to be done to guard against misuse of funds and for it to become a more efficient user of its financial resources. 	<p>Satisfactory (3)</p>
<p>7. Cost and Value Consciousness</p> <ul style="list-style-type: none"> + The GF has played a key role in improving market intelligence for HIV, TB and malaria commodities. + Cumulatively, more than \$950 million has been reallocated from under-performing grants between 2005 -2009. - Further improvements to Voluntary Pooled 	<p>Satisfactory (3)</p>

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<p>Procurement, greater country and commodity coverage, are needed for greater economies of scale and commodity price reductions.</p> <p>= While there have been some attempts to control cost inflation, both at the overall programmatic level and within the Secretariat, more needs to be done.</p>	
<p>8. Partnership Behaviour</p> <p>+ The Fund measures its performance against Paris indicators and sets itself corresponding targets. In general, the trend in reaching these targets is positive. Beneficiary voice is well embedded into all layers of governance.</p> <p>– The Fund places heavy burdens on countries and partners and, though it is focussed on a country-led approach, its own systems and requirements often take precedence.</p> <p>= If the Fund is to maximise the development impact of the significant finance it can mobilise, it must improve its performance in this area.</p>	<p>Weak (2)</p>
<p>9. Transparency and Accountability</p> <p>+ Details on all grants and money committed and disbursed are freely available.</p> <p>+ Although The Fund has not yet signed up to IATI it is an active member of the IATI Technical Advisory Group and is expected to sign.</p> <p>= The Fund’s decision to publish/require recipients to publish procurement data has been a major driver for a range of innovations in transparency.</p>	<p>Strong (4)</p>
<p>Likelihood of Positive Change</p>	<p>Score (1-4)</p>
<p>10. Likelihood of Positive Change</p> <p>+ Architectural reforms have been agreed to simplify and allow GFATM to work more effectively with countries and partners.</p> <p>– The Fund must make sure it can put its resources to work on the ground more quickly.</p> <p>= Reforms should reduce transaction costs, shorten grant processes, align reporting and shift from project to programme type funding.</p>	<p>Likely (3)</p>