



Independent observer  
of the Global Fund

# Global Fund Observer

NEWSLETTER

Issue 248: 31 July 2014

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At least 10 European countries are imposing a tax on financial transactions, for revenues that could exceed \$8 billion per year. Some NGOs are campaigning to ensure that the Global Fund is among the beneficiaries of this new revenue stream.

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In 2005, the World Health Organization (WHO) issued new guidelines recommending that malaria treatment evolve from the traditional monotherapies to an artemisinin-based combination therapy: a transition that was relatively easy despite contextual challenges in malaria-endemic Côte d'Ivoire.

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### **1. NEWS: International AIDS Conference closes with new commitment to placing key populations at center of global HIV response**

Lauren Gelfand 31 July 2014

#### *Dismantling 'critical disablers' critical to changing the face of the epidemic*

After opening in sadness over the loss of friends and colleagues aboard Malaysian Airlines Flight #17, the 2014 International AIDS Conference in Melbourne, Australia, closed with renewed vigor and determination to put the most affected populations at the heart of the global response to the disease.

“There will be no end of AIDS without ensuring respect and dignity of all people, equity in access to health

services and social justice. We need to shout out loud that we will not stand idly by when governments, in violation of all human rights principles, are enforcing monstrous laws that only marginalize populations that are already the most vulnerable in society," said outgoing IAC president Françoise Barré-Sinoussi . "I am very glad that the past week clearly reaffirmed that our engagement goes largely beyond HIV."

In support of that renewed commitment, the assembled delegates, estimated at more than 14,000, endorsed and signed the Melbourne Declaration: a statement that "nondiscrimination is fundamental to an evidence-based, rights-based and gender transformative response to HIV".

Such a recommendation, however, only underscored the impact of structures that oppress key affected populations, specifically laws, policies and practices that are barriers to the implementation and scale-up of health care services for key populations.

Discriminatory laws enacted in Nigeria, Russia and Uganda were singled out not only for the draconian penalties they impose on people for exhibiting homosexual behaviors but also the chilling effect this has and will continue to have on health-seeking behaviors.

"We cannot allow homosexuals, drug users, sex workers to remain so vulnerable, just because governments persecute them, and stigmatize and discriminate against them. We know the results of repressive policies, we have the numbers," said the Global Fund's executive director, Mark Dybul. "As a researcher I can say that based on existing scientific data, we know the consequences of these ultra-repressive policies. These governments must take responsibility, because it is their policies that will be responsible for a new epidemic. Is that what they want?"

Conference delegates were also asked to commit to the ambitious target of ending the epidemic by 2030: meaning that those who are already infected will be able to prevent passing the disease to another person thanks to a combination of the existing tools -- including anti-retroviral drugs.

To do that, however, means a significant increase in the number of HIV cases detected and an even more substantive increase from 13 million in the number of people currently taking ARVs. UNAIDS estimates suggest that 19 million of the world's 35 million people living with HIV have yet to be diagnosed -- or even identified.

The new 90-90-90 strategy touted at the conference would expand testing so that 90% of HIV-infected people know their status. Of that population, 90% will receive regular treatment with ARVs and among those people, 90% will achieve sufficiently suppressed levels of the virus in their bodies so they will be unlikely to transmit it to others.

According to Dybul, this goal represents a historic moment "a moment where we can take the spread of HIV

as an epidemic and turn it into low-level endemicity".

Achieving this will require a powerful shift in implementation, through better and smarter investments in interventions that consider cultural and community needs and that incorporate smart monitoring and evaluation of results and impact.

"If we continue with what we are doing, if we continue with what we started 12 years ago and do not change, we will begin to see the epidemic come back up," Dybul said. "The question is no longer can we do it, the question is will we do it?"

But while the will was most certainly demonstrated at IAC, the way remains less clear, particularly with respect to funding. The development agenda that is expected to follow the achievement in 2015 of the UN's Millennium Development goals has yet to explicitly reference the HIV response: an oversight that is preoccupying many of the conference attendees as well as policymakers worldwide. The estimated \$19 billion spent annually on prevention and treatment -- much of which comes from external financing mechanisms including the Global Fund -- has held flat for the past several years and is unlikely to increase in the next several years.

[This article was first posted on GFO Live on 31 July 2014.]

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## **2. NEWS: Global Fund eyes European financial transaction tax as possible revenue stream**

David Garmaise 31 July 2014

*The tax on financial products could be a boon for the global fight against the three diseases*

A move to impose a tax on the sale and purchase of financial products including stocks, bonds, options and futures contracts in at least 10 European countries is gathering steam, and could provide a valuable new source of revenue for the Global Fund's fight against AIDS, TB and malaria.

Ten European countries in the European Union have signed on to the financial transaction tax (FTT) policy, which will go into effect in early 2016. Details of where the revenues collected from the FTT will go are still under negotiation.

Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia and Spain have all agreed to levy the tax on the purchase and sale of financial products. Slovenia was also initially signed on to the FTT but the resignation of its finance minister has thrown its participation into doubt.

The FTT could generate revenues in the tens of billions of dollars annually; Spanish researchers have [estimated](#) that the EU FTT would produce annual revenues of € 5 billion (about \$8 billion).

Cautious optimism that these revenues could be allocated to help global development issues, including global health, reigns.

In a series of statements during July's International AIDS Conference in Australia, Christoph Benn, head of external relations for the Fund, hailed the initiative, adding: "Over the next few months the participating countries will determine the allocation of these additional resources. It will be critical that they allocate part of the proceeds to development issues and global health. This might increase the fiscal space for several donor countries to provide additional resources for addressing AIDS, TB and malaria, including through the Global Fund as an instrument of choice."

Spanish NGOs have launched a campaign to set aside 50% of the revenues from the FTT for global issues of poverty and climate change. One NGO, Salud por Derecho, is championing the Fund as a worthy conduit for those resources -- which would, in turn, help Spain regain its position as a significant contributor to the Global Fund. The country opted out of pledging to the Fourth Replenishment in December 2013 due to the financial crisis.

France has already adopted a domestic FTT, allocating 8% of the revenues to the Global Fund as part of its contribution to the Fund. It is anticipated that the EU FTT will replace the French FTT, and French NGOs have expressed hope that the Global Fund will remain a beneficiary of the proceeds.

Europe's largest financial center -- the UK -- has strongly opposed the imposition of an FTT because of the potential impact it could have on the banking sector, despite a widespread campaign to encourage participation in the EU policy. The US is also abstaining from imposing an FTT. Both countries contribute significant amounts to the Global Fund.

[This article was first posted on GFO Live on 31 July 2014.]

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### **3. NEWS: New tools released to help countries put women and girls at the center of their concept notes**

David Garmaise 31 July 2014

*A failure to integrate gender-specific interventions has resulted in concept notes being returned to some countries*

Most of the guidance provided by the Global Fund about concept note development under the new funding model (NFM) has emphasized the need to put women and girls at the heart of proposed interventions. Two UN agencies have now released tools to help countries achieve this objective and incorporate gender equality into their proposals for Global Fund support.

UNAIDS has published a [Gender Assessment Tool](#) to assist countries in assessing the impact on women and girls of their response to the HIV epidemic, and how to improve it. The tool is intended to support the development and review of national strategic plans (NSPs) and to inform the content of concept notes submitted to the Global Fund.

UNDP has also prepared a [Checklist for Integrating Gender into the New Funding Model](#).

Both tools were presented at a session at the International AIDS Conference in Melbourne, Australia on 22 July, about advancing gender equality in the NFM.

Panelist Marijke Wijnroks, chief of staff at the Global Fund and one of the architects of the Fund's Gender Equality strategy, explained that some concept notes have already been sent back to be revised because not enough attention was paid to gender issues.

Claudia Ahumada of UNAIDS explained that the agency's tool required the participation of multiple stakeholders to address not only the HIV response but also any gaps in the response that would require future interventions.

The tool has already been used by 35 countries. While the tool should be used to help shape the NSP and then the subsequent concept note, it was applicable at different stages in implementing the NFM process at the country level, beginning with country dialogue.

The UNDP tool is a checklist of 22 items aligning with the various stages of the NFM process to ensure that gender equality has been addressed at each stage, according to Ludo Bok.

UN Women's gender equality and HIV/AIDS policy advisor, Nazneen Damji, told the assembled audience about a 2013 publication [A Compendium of Gender Equality and HIV Indicators](#): a virtual shopping list of

indicators already being used to help measure gender equality interventions, which could then be included in concept notes.

[This article was first posted on GFO Live on 31 July 2014.]

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#### **4. NEWS: Funding for lowest income countries up by more than 20% under new funding model allocations**

David Garmaise 31 July 2014

##### *Allocations to other countries are flat compared to recent funding*

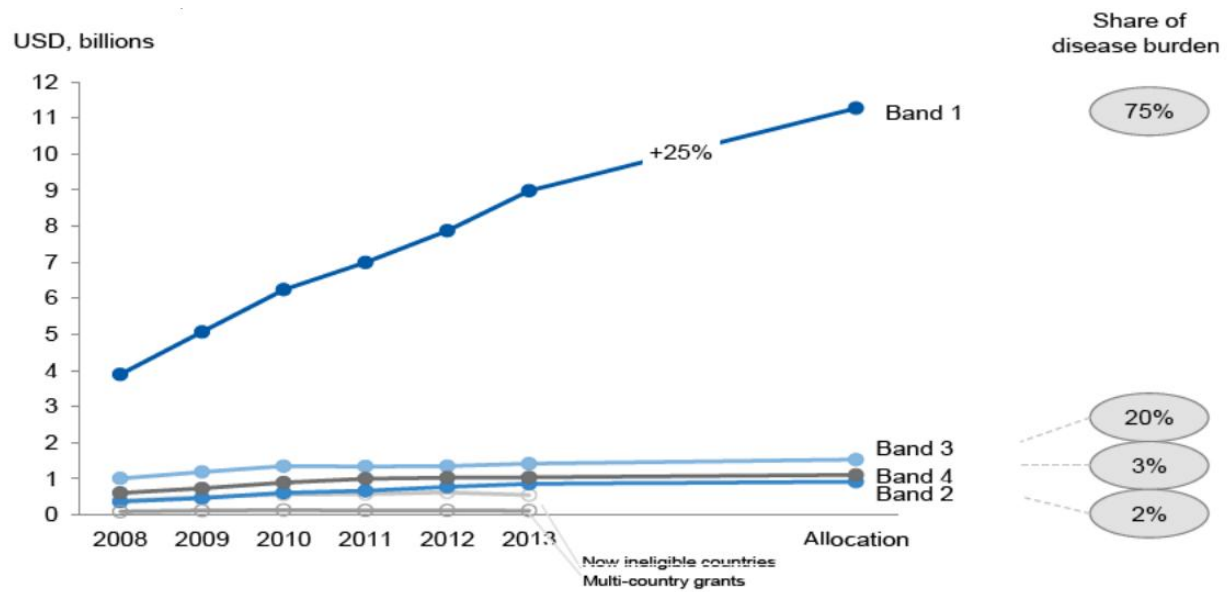
The Global Fund's transition to the new funding model (NFM) is having the desired effect on allocations: more resources are being directed to those countries with high burdens of disease and a low ability to pay.

A recent analysis released by the Secretariat as part of its monthly reporting to the Board puts allocations to countries grouped into Bands 1 and 2 up by around 20% for the 2014-2016 period over the 2010-2013 period. For the other countries, however, funding has flatlined, with only marginal increases over the previous period. Only Eastern Europe and Central Asia (EECA) did not see a funding increase.

Total allocations to countries for 2014-2016 were some \$14.8 billion while disbursements in 2010-2013 totaled \$12.3 billion.

The analysis was based on several metrics. Allocations to the 39 countries in Band 1 increased by 25%, while allocations to countries in the other three bands remained relatively unchanged (see Figure 1).

**Figure 1: Recent funding levels and current allocations, by band**



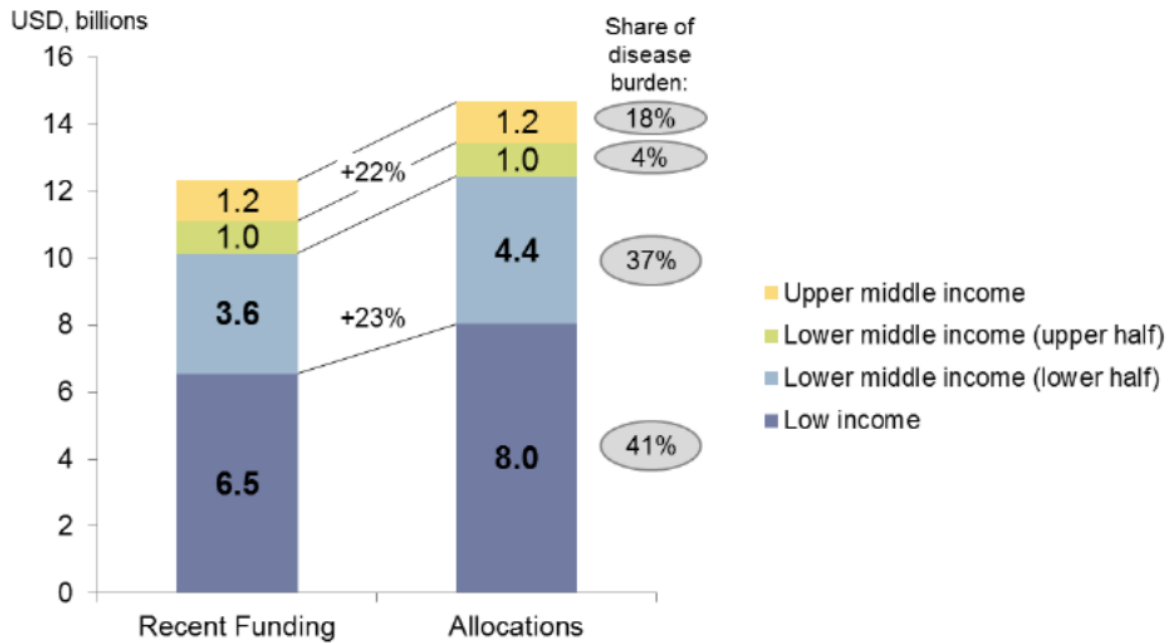
Source for all figures in this article: Progress Update on the New Funding Model: July 2014

Allocations to the 31 countries with the highest disease burden were up 28%. These countries account for 86% of the total disease burden among eligible countries.

Allocations to (a) low-income countries and (b) the lowest middle-income countries were up by some 20%. The remaining eligible countries -- at middle-income range -- were flat. (See Figure 2).

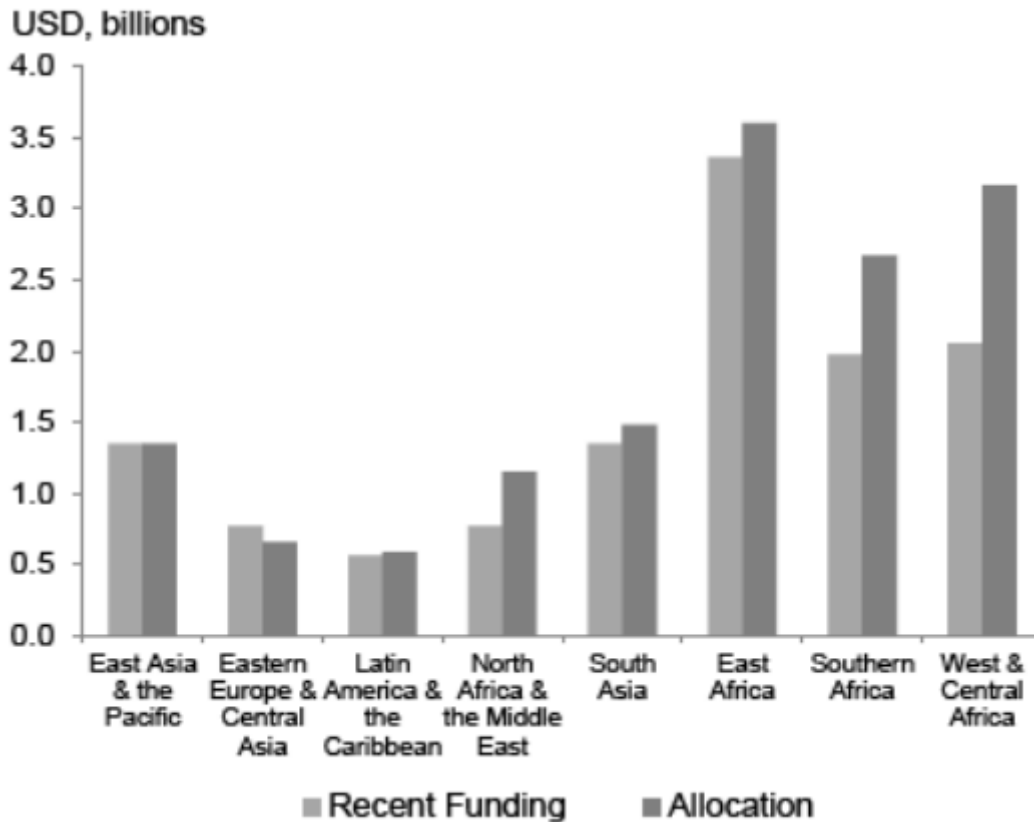
**Figure 2: Recent funding levels and current allocations, by income level**





Regions with the lowest level of recent funding relative to disease burden – Southern Africa, and West and Central Africa – received the greatest increases in funding (see Figure 3).

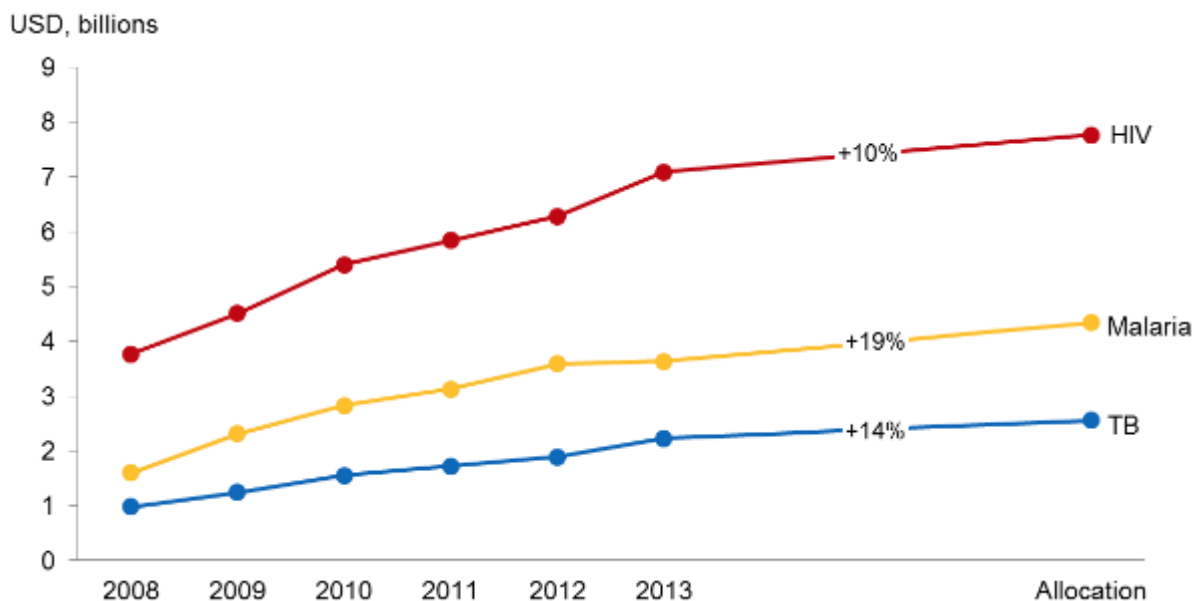
**Figure 3: Recent funding levels and current allocations, by region**



Funding remained flat in EECA, attributable mainly to their designation as having been over-allocated. Those countries were allocated proportionally less than 100% of recent funding.

Allocations to each disease component were also higher than in previous funding cycles. Malaria earned the highest increase, of 19% over the 2010-2013 period, based on the disease splits applied to countries -- which are subject to change. See Figure 4 for details.

**Figure 4: Recent funding levels and current allocations, by disease**



Notes: HIV/TB disbursements were allocated evenly to HIV and TB. HSS disbursements were allocated proportionally to the disease-specific funding. Historic figures include all funding, regardless of current eligibility.

The progress report showed that only 39% of those components considered over-allocated were hit by the full 25% reduction over recent funding, as outlined in the allocation methodology. This is due to the large existing grants pipeline for those components, which the Board had pledged not to touch. On average, allocations to these over-allocated components were up 22% over recent funding.

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## 5. NEWS: From monotherapy to ACT: a malaria treatment success story in Côte d'Ivoire

Aurelie Fontaine 31 July 2014

In 2005, the World Health Organization (WHO) changed its guidelines for treatment protocols for malaria, advocating that traditional monotherapies be replaced by an artemisinin-based combination therapy (ACT) to destroy *p.falciparum*. This evolution in treatment was due in some part to concerns that continued use of oral artemisinin-based monotherapies contributed to the development of resistance to artemisinin derivatives,

rendering one of the most effective tools in the response to malaria useless.

Since then, Côte d'Ivoire, where malaria is endemic virtually across the entire country and about 3.5 million children under age 5 and 1 million pregnant women are exposed annually, has worked diligently to effect a strategy to replace all monotherapy with ACT. This diligence has been even more remarkable in the context of instability that has afflicted the West African state since 2002, with periodic flashes of conflict and outright civil war.

Now, nearly a decade later, even the health centers in the most remote parts of the world's leading producer of cocoa are stocking ACTs on their shelves.

"We didn't have too many difficulties with the transition process; those who were carrying monotherapies gradually phased them out and within two years, they had the time and ability to order ACT," said Dr Mamadou Silué, from the national malaria program: a Global Fund principal recipient since 2010.

Nearly \$175 million of \$232 million in signed Global Fund grants has been disbursed in Côte d'Ivoire, and the country is in the process of developing a concept note to access \$118.7 million allocated under the new funding model (NFM).

### **Accepting a new way to respond to an old scourge**

According to the UN Children's Fund (UNICEF), Ivorian children are routinely exposed to malaria as many as six times per year -- the figures for adults are comparable. So when the change was initiated, the Global Fund grant was primarily used to help change behaviors around treating an old and familiar disease with a new and different regime.

The first phase of the Global Fund-supported [response](#) went to training: some 5,000 health workers and 1,200 community health agents were given extensive support in learning how to use rapid diagnostic tests (RDT) and how to administer the new drug regime.

These tests helped to quickly establish a parasitological diagnosis within minutes -- critical in areas where laboratory services were, and continue to be, non-existent. The grant also underwrote \$10 million in commodity purchases: drugs, diagnostic tests and other critical elements for all of the country's 83 health districts.

That influx of Global Fund support enhanced services already in place since 2006 under the auspices of the non-governmental organization Care, itself a Global Fund PR. A careful, community-based approach to changing behavior and teaching people to trust the new drugs was initiated by Care in what Dr Aliou Ayaba, head of the Fund's programs for Care, said "was easier for the community than for the community health

workers. Sick people do what they are told, and take the treatments they are offered. It was more the health workers who had to adapt, but fundamentally, there were no real challenges in implementing a new national policy."

By the end of 2006, 19 of the country's health districts had adopted the new regimen. By 2008, there were almost no monotherapies left in Côte d'Ivoire.

### **Supply chain challenges**

By rights, this should be the end of the story -- a successful transition to the right therapy and improved adherence to the best possible treatment for an insidious and perennial problem. Except that civil conflict, a lack of resources and a decimated infrastructure has left the country's supply chain in tatters. The problem is most acute in the remote regions, north in the area once controlled by rebels and west in the forested zones where lawlessness continues.

The health center in Doké, in the country's west, is a good example. "For two months we were without even a single dose of adult ACT, so we replaced it with [another drug, Coartem] but even that was running out quickly. We are also routinely running out of ACT for kids under 5," said Dr Gbesse N'Cho.

The empty wooden shelves at the Djouroutou health center are another stark reminder of the stock-out situation. Health care providers here are meticulous about counting and recounting stock, running out of virtually everything almost as soon as it comes in but somehow always finding one more dose of ACT somewhere to treat their patients. Stocks may have always run low since completing the transition to ACT, but somehow they never run out.

On the Liberian border in a town called Tai, it's not the drugs that are lacking but the RDT, said nurse Paulin Gbahi. "We ran out once last year, but it didn't last for too long," he said.

In order to make stock-outs as rare as monotherapies, Care in 2012 began to implement a system for village-based consultations for those Ivorians who live more than 5km from a health facility. "About 30% of the population lives in these zones, and we found that there are a lot of kids living in these areas whose fevers go above 40 degrees and a lot of pregnant women who simply cannot travel the distance to get the drugs they need," said Dr Ayaba.

This has meant that, even though ACTs are made available for free by the Ivorian government, they are not reaching populations in need. A national health survey conducted in 2011-2012 showed that half of pregnant women who should have been treated for malaria were not. And among children under age 5 with high fevers who should have been tested and treated for malaria, only one in five received the right regimen.

With Global Fund support, the new national public pharmacy is hoping to change those figures in time for the next national health survey. Plans are in place to construct, and stock, new regional warehouses with ACT and RDT to limit stock-outs and promote better adherence. A first warehouse is set to open in Bouaké, the country's second largest city, by 2015.

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## 6. LETTERS TO THE EDITOR: On LFAs

Sebastian Kevany 17 July 2014

In a recent AIDSPAN / Global Fund Observer review, the role and responsibilities of local funding agents (LFAs) were updated and articulated. As a part of this piece, the increased dominance of LFA work by a single LFA – PriceWaterhouse Coopers (PWC) – was attributed to lower costs, greater efficiency, and the more highly-developed in-country teams of this LFA relative to their competitors. Nonetheless, the Global Fund has, in the past, promised to ensure against the development of monopoly practices by a single LFA, in keeping with the ethos of competitive bidding for LFA contracts. While this may be explained by the superior criteria performance and economies of scope and scale that PWC may be experiencing, the Global Fund must, nonetheless, work to ensure continued impartiality in LFA review and selection. This increased dominance of the Global Fund LFA management team by former PWC personnel, as well as reports of preferential treatment and dominance of proceedings by PWC personnel at recent Global Fund M&E trainings, compound these concerns and suggest that the objective selection of LFAs should, in future, be closely monitored.

*Sebastian Kevany is an independent consultant. The views expressed in this letter are his own.*

[This article was first posted on GFO Live on 17 July 2014.]

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Aidspan Editor-in-Chief: Lauren Gelfand ([lauren.gelfand@aidspan.org](mailto:lauren.gelfand@aidspan.org))

Aidspan Executive Director: Kate Macintyre ([kate.macintyre@aidspan.org](mailto:kate.macintyre@aidspan.org))

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