GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS AND MALARIA
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1. INTRODUCTION

HIV/AIDS, tuberculosis (TB) and malaria are responsible for high morbidity and mortality in the developing countries. These diseases are closely linked to poverty. They take a daunting toll of 6 million lives every year. In 2001, 3 million deaths were caused by AIDS; 1.7 million perished from TB and malaria claimed over a million lives. At the end of 2001, 40 million people worldwide were living with HIV or AIDS, with 6 million adults and children newly infected during 2001. Nearly 8 million new cases of TB, including 3.5 million new smear-positive (i.e. infectious) cases occur every year. More than 300 million episodes of malaria occur every year globally.

Moreover, there is now a growing recognition that good health is fundamental to economic growth and poverty reduction and vice versa. One-fifth of world’s population – 1.2 billion people – survive on less than US$1 a day. Nearly 60% of the world’s poor live in the SEA Region. What compounds the problem is political and economic instability, conflicts, population movement, environmental degradation and disease. The health crisis faced by the developing world created by the unchecked spread of HIV/AIDS, TB and malaria threatens to negate the hard-won developmental gains of the past 50 years.

To help combat these communicable diseases, a Global Fund to fight AIDS, TB and Malaria (GFATM) was established in January 2002. First conceptualized at a G8 meeting (Okinawa, Japan, July 2000) the idea was strongly supported by the Secretary-General of the United Nations who called for a “war chest” of 7-10 billion dollars per year to fight AIDS, tuberculosis and malaria. After the UN General Assembly Special Session on HIV/AIDS held in New York in June 2001, there is a clear consensus that (a) the initial scope of the new Global Fund (GF) should be on HIV/AIDS, TB and malaria; (b) the main purpose should be to attract (and disburse) monies additional to existing development assistance; (c) resources provided through the Fund would be conditional on the achievement of results; (d) the operation of the Fund would not be “business as usual”, but would aim at devising more rapid channels for funding, with less bureaucracy for recipient countries, more effective use of donor resources, and fewer transaction costs for all; and (e) the Fund must be genuinely international, not belonging to one set of countries or tied to the United Nations, the World Bank or other institutions.

Of US$ 2.1 billion committed to GF, $700-800 million is expected to be disbursed during 2002. Following its first call for applications, many countries submitted proposals to the GF secretariat before the 10 March deadline under the “quickstart” mechanism. While substantial resources have been mobilized for the Region during the first round, many country proposals were not approved for funding. Opportunities are available in the second round to ensure that all Member Countries receive resources from GF.

2. GLOBAL FUND: THE PURPOSE

The purpose of the Fund is “to attract, manage and disburse additional resources through a new public-private partnership that will make a sustainable and significant contribution to the reduction of infections, illness and death, thereby mitigating the impact caused by HIV/AIDS, tuberculosis and malaria in countries in need, and contributing to poverty reduction as part of the Millenium Development goals”. The purpose and scope of the Fund were proposed by the Transitional Working Group (TWG), which met thrice between October-December 2001 and was endorsed by the Board at its first meeting in January 2002.
3. STRUCTURE AND PROCESSES

An interim process has been established for taking the Fund forward from the Transition Working Group. Located in Geneva, the Global Fund is an independent entity. The organizations of the United Nations system (particularly WHO and UNAIDS) join other development assistance organizations in supporting the operation of the Fund through technical expertise at global and country levels, through the transition to full operation. WHO will provide administrative support for operation of the secretariat. The World Bank will be the Trustee of the Fund.

3.1 Governance

The governance framework will consist of a partnership Forum, the Board, and a Secretariat. The partnership Forum is an informal group to review progress and provide advice on general policy and to sustain political commitment and momentum.

The Board, which is the supreme governing body of the Fund, will set policies, strategies and operation and guidelines and decide about the funding. The Board will have 18 voting members – seven from donor countries, seven representing developing countries and four from nongovernmental organizations/private sector/foundations. WHO, UNAIDS, the World Bank and one nongovernmental organization would be ex officio non-voting members. The developing country members would be drawn from the six WHO regions through mechanisms acceptable to those Member States (one each from five regions and two from the African Region). The donor members will initially be France, Italy, Japan, Sweden, United Kingdom of Great Britain and Northern Ireland, the United States of America and the European Commission. Of the developing country members from Asia, Thailand will represent South-East Asia and China the Western Pacific Region. The Gates Foundation will be the private foundation on the Board.

A secretariat consisting of 25-30 staff will carry out the day-to-day management of the Fund. The secretariat will be responsible for organizing Board meetings and oversee the proposal process and manufacturing evaluation. The secretariat will be based in Geneva.

3.2 Eligibility

Eligibility criteria include the following

- Disease burden for HIV/AIDS, tuberculosis and/or malaria – according to the accepted international standards for assessing disease prevalence and magnitude;
- Relevant indicators of the poverty situation such as GNP per capita, UN Human Development Index, or other;
- Potential for rapid increase of disease, based on accepted international indicators such as recent disease trends, size of population at risk, prevalence of risk factors, extent of cross-border and internal migration, conflict or natural disaster;
- Political commitment – as measured by indicators such as government contribution to the financing of the proposal or public spending on health or existence of supportive national policies or presence of a national counterpart in the proposal, or other indicator, and
- Existence of a country coordination mechanism (CCM), which consists of an inclusive collaborative partnership, with all relevant partners engaged in planning, decision-making and implementation.
3.3 Proposal Review Process

**Technical Review Panel**

A 17-member Technical Review Panel (TRP) has been set up which will review applications submitted for Fund support, and make recommendations to the Board for final decision. The panel is jointly chaired by France and Thailand.

The Global Fund Secretariat will receive and assess all proposals, to determine whether applications are complete and fulfil the eligibility criteria. The Secretariat will advise applicants accordingly and forward applications to the TRP for review. Review by the TRP will take place at preset dates generally in three rounds annually.

**Review criteria**

Successful proposals will, in general, demonstrate:

- Soundness of approach;
- Feasibility with respect to implementation plan and management;
- Potential for programmatic sustainability, and
- Evaluation and analysis.

4. **RELEVANCE TO THE SOUTH-EAST ASIA REGION**

The GF is extremely relevant to the SEA Region and presents an unprecedented opportunity to Member Countries to mobilize substantial additional resources to fight AIDS, TB and malaria. Most of the deaths caused by communicable diseases occur among the poorest 20% of the world’s population. The overall health situation in the Region is daunting because of poverty and lack of resources: the 10 countries of the Region account for 25% of the world's population. As many as 522 million people in South Asia alone are living on less than US$1 a day.

The SEA Region is the second most HIV-affected region in the world after Africa, with nearly 6 million persons living with HIV/AIDS at the end of 2000. Nearly 3 million new TB cases, including 1.3 million new smear-positive cases occur every year in the Region, representing about 40 per cent of the global burden. At any given time, there are 7.6 million patients suffering from TB, including 3.4 million infectious cases. During 2000, the Region had more than 21 million established cases of malaria.

It is clear from the above that due to high morbidity from the three diseases and lack of resources, support from the Global Fund could make a very useful contribution towards combating these problems in the Region.

Following the first GFATM call for applications on 4 February 2002, most countries worked hard and in a coordinated and efficient manner to prepare quality proposals, before the 10 March deadline.

5. **RESULTS OF THE FIRST ROUND**

Of an amount of US$ 1.4 billion allocated during the first round, $ 238 million was allocated to countries in the SEA Region; a total of 13 proposals from DPR Korea, India, Indonesia, Nepal, Thailand and Sri Lanka were recommended with minor adjustments. $ 126 million for HIV/AIDS, $ 104 million for TB and $8 million for malaria (Table 1). Remarkably, five of seven proposals on tuberculosis from the Region were approved with the highest allocation among all
regions (Table 2). However, many proposals were not approved and need to be resubmitted. In addition, new proposals will be submitted by Bhutan and Maldives.

A call for the second round of applications was made on 2 July, with the deadline of 27 September 2002. The TRP is scheduled to review these proposals in October 2002 to be followed by a meeting of the Board in November 2002. The outcome of the second round is expected to be announced in early January 2003.

### Table 1 - GFATM: total grants awarded (in million US$)

<table>
<thead>
<tr>
<th>Region</th>
<th>HIV/AIDS</th>
<th>TB</th>
<th>Malaria</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFR</td>
<td>652</td>
<td>92</td>
<td>83</td>
<td>827</td>
</tr>
<tr>
<td>AMR</td>
<td>133</td>
<td>0.57</td>
<td></td>
<td>134</td>
</tr>
<tr>
<td>EMR</td>
<td>9</td>
<td></td>
<td></td>
<td>9</td>
</tr>
<tr>
<td>EUR</td>
<td>98</td>
<td></td>
<td></td>
<td>98</td>
</tr>
<tr>
<td>SEAR</td>
<td>126</td>
<td>104</td>
<td>8</td>
<td>238</td>
</tr>
<tr>
<td>WPR</td>
<td>40</td>
<td>59</td>
<td>19</td>
<td>118</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,058</td>
<td>256</td>
<td>110</td>
<td>1,424</td>
</tr>
</tbody>
</table>

### Table 2: Outcome of Applications from SEAR Countries

<table>
<thead>
<tr>
<th>Proposals</th>
<th>Country</th>
<th>Component</th>
<th>Year 1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Category 1</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recommended with</td>
<td>Indonesia</td>
<td>TB</td>
<td>1,966,999</td>
</tr>
<tr>
<td>no/minor adjustments</td>
<td>DPRK</td>
<td>TB</td>
<td>6,295,798</td>
</tr>
<tr>
<td></td>
<td>Sri Lanka</td>
<td>TB</td>
<td>1,209,000</td>
</tr>
<tr>
<td></td>
<td>Sri Lanka</td>
<td>Malaria</td>
<td>1,660,000</td>
</tr>
<tr>
<td></td>
<td>Thailand</td>
<td>TB</td>
<td>2,788,400</td>
</tr>
<tr>
<td></td>
<td>MMR-THA NGO</td>
<td>HIV</td>
<td>3,999,350</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td></td>
<td></td>
<td>18,468,929</td>
</tr>
<tr>
<td><strong>Category 2</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recommended needing</td>
<td>Indonesia</td>
<td>Malaria</td>
<td>8,299,637</td>
</tr>
<tr>
<td>more extensive adjustments</td>
<td>Thai</td>
<td>HIV</td>
<td>2,788,400</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td></td>
<td></td>
<td>24,022,399</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td>42,491,328</td>
</tr>
</tbody>
</table>
6. WHO SUPPORT TO MEMBER COUNTRIES

Over the past 12 months, WHO has worked intensively as a member of the Transitional Working Group set up in July 2001 to develop the concept of the Fund and finalize preparatory arrangements, with the aim of having an operational mechanism in place early in 2002. WHO also contributed staff to the technical support secretariat that assisted the working group. WHO, at the global level, will provide administrative support to the Fund.

The issue of the Global Fund was discussed at the Regional Health Ministers’ Meeting in Maldives in August 2001. Expressing considerable concern regarding the potential threat these diseases posed to the health and economic development in Asia, the Ministers stressed that the Region should receive a “fair share” of resources from the Fund. The meeting recommended that WHO should establish a Regional Task Force, comprising one representative from each Member Country to assist in the preparation of regional proposals and to strengthen the Region’s case for appropriate allocation of funds. The Regional Task Force has since been established at the Regional Office which had its first meeting from 24-26 January 2002. The meeting was chaired by Mr Khondker Fazlur Rahman, Additional Secretary, Ministry of Health, Bangladesh. The meeting deliberated on the Global Fund and made recommendations that the Member Countries should try their best to prepare good quality proposals for submission.

Support was provided in organizing and ensuring participation by Member Countries in the first Asia-Pacific Consultation on the Global Fund held from 14-15 November 2001 in Bangkok. The objectives of this consultation were to update countries on the Global Fund (including background, purpose and scope) and to enable Asia-Pacific countries to provide inputs to the TWG on various aspects of the Fund governance, review process and how the Fund should operate at the country level. Similarly, support was provided for participation by Member Countries in the second Asia-Pacific Consultation held in Beijing from 7-9 February 2002 and in assisting in the conduct and deliberations of the meeting.

Following this consultation, the Regional Office established a team which could readily provide technical support to Member Countries in the development of country proposals. Technical support was provided on-site by WHO country office staff and through SEARO country missions to nine Member Countries. The Regional Office also helped the GF secretariat in the formulation of the Technical Review Panel (TRP) by proposing names of experts from the Region. This panel will be reviewing all the country-coordinated proposals.

In order to share experiences of the first round and to prepare for the second round, WHO/SEARO organized an Information Sharing Meeting on GF in Dhaka, Bangladesh from 21 to 24 July 2002. Experiences relating to the first round of applications and the lessons learnt during the second round were shared, and technical support missions to specific countries, to update the guidelines and procedures relating to disbursement and financial management, including sub-trusteeship as well as on monitoring and evaluation of GF-supported activities were finalized. The goal is to ensure that all Member Countries get support from the Global Fund. There would be nearly 21 proposals submitted in the second round, including 10 on HIV/AIDS, 2 on TB and 9 on malaria, with the goal to achieve 70% success rate – at least 15 proposals to be approved by GF.

7. CONCLUSIONS

AIDS, TB and malaria have a devastating global impact, because of their close link with poverty. To address these problems, a Global Fund has been established at the initiative of the UN Secretary-General, to mobilize and rapidly disburse additional financial resources through a
new public-private partnership. The Fund could make a significant contribution to the reduction of illness and death, and thereby also to poverty reduction.

In the South-East Asia Region, which bears an extremely high burden of communicable diseases, the Fund represents a good opportunity to mobilize resources to enable countries to substantially scale up effective interventions to combat these priority health problems. In this regard, the Regional Office has established a Regional Task Force to guide regional and country efforts and to ensure that the South-East Asia Region receives a fair share of GF resources on the basis of the disease burden, and the vulnerability in the Region. The opportunities to make a difference exist in the Region, provided additional resources become available. Following the call for applications in the first round, significant resources have been mobilized. Countries are now getting ready to prepare proposals for the second round with the deadline of 27 September 2002. Technical support was provided by WHO in the preparation of applications, through WHO staff at country level or through country missions from the Regional Office. WHO has also assisted GF in the composition of the technical review panel by forwarding names of experts from the Region and by keeping countries informed of the developments relating to the Fund.