

**Conference: 15th Annual International AIDS Conference
The Global Fund: A Model for Financing?
July 12, 2004**

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CHRISTOFF STEPHAN: I'd like to welcome you all here. My name is Christoff Stephan. I am working with the externalizations department of the Global Fund. I would welcome you quickly to our program and then I will hand over to our Executive Director, Richard Feechum. Richard Feechum will give a short introduction presenting actually the results of the study that we have done for this Bangkok conference that has been published. And you found the report outside and we encourage you to take copies of that, the results of the first year of our 25 programs that had finished one year existence. After that the session will be introduced by the Honorable Minister of Health of Ghana. And we will have two presenters who will look at the Global Fund from the outside, in a sense, from partner organizations, and tell us their impression of how the fund has worked so far. We will then have the first question and answer session and go into the second session where we have three country presentations from our partners in the field from Honduras, Zambia and India followed by another question and answer session. We'll then summarize the discussions of the day and invite you for a short reception with some refreshments. I'm afraid some people already have helped themselves to the refreshments that were put up there in the back. We hope we can replenish some of that. But then we welcome you to another reception, in a sense, and we're happy to have with us then our special guest tonight the actor Rupert Everett, who is a great friend of the Global Fund who has just visited programs of the Global Fund in Cambodia and will tell a little bit about his experience from what he has seen in Cambodia. So this will be the program for the next roughly two hours. And we are delighted to have you here. And I would like to hand over now

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to our Executive Director Richard Feechum to give the official welcome and the introduction. Thank you very much.

RICHARD FEECHUM: Good evening. Good evening, ladies and gentlemen and thank you very much for coming. The real purpose of this evening is for me and my colleagues and the Global Fund Secretariat to listen. So my remarks will be extremely brief. Before we start I'd like to recognize the board of the Global Fund. And I see many board members and board delegations represented in the audience, so thank you to them also for coming. What I will do is just show a very few slides to illustrate where the Global Fund has got to in terms of developing its portfolio of programs over the past 30 months, recalling that the Global Fund first got under way in January 2002, it is about 30 months old. We have, as you know, completed the approval of four rounds of proposals. Round four was completed, approved, at our last board meeting recently in Geneva. And the slides that I will now show will illustrate firstly the nature of the portfolio combining all the four rounds so far approved. And secondly, as Christoff mentioned, some of the findings from the study that we have conducted on the first 25 of our grants. As Christoff mentioned, there are documents available. This document prepared especially for the Bangkok conference and containing the analysis of results achieved to date, and an older document, 2003 annual report, which will also be of interest to those of you who have come here this evening. This shows the countries in the world in which we now have commitments to funding and in my of this funds are actually flowing. And you will see that the great majority of the eligible countries, the fully eligible countries, namely the low income countries and the lower middle income countries are now already part of the Global Fund family and part of the

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support that we are providing. If we look across the first four rounds, we see that we are committed to support 296 programs in 128 countries. The two-year budgets involved in all those programs are total \$3 billion U.S. dollars, and the five-year budget totaled \$8 billion U.S. dollars. And if you look across all those programs, you can see that some sizable results, far from adequate, but I think could be characterized as I good start, will be achieved during the five years if all those programs implement their intentions successfully. I won't go through all of this. A copy of these slides have been handed out and are available to you. But for example, over five years 1.6 million people would be afforded antiretroviral therapy using Global Fund finance in tuberculosis, there would be a quadrupling of current levels of treatment for multi drug resistant TB and in the case of malaria, 145 million ACT treatments would be offered, a massive increase from the current level of availability of third generation anti-malarial. And we have updated then the distribution of these investments, firstly by disease and the picture now stands as follows: Roughly 55 percent to HIV/AIDS, roughly 14 percent to TB, and 29 percent to malaria. One comment on that that I would make is to draw attention to the lowest percentage of TB investment. And we are very receptive in rounds five and beyond to strong additional TB proposals because I think we believe that that TB proportion is somewhat too low. And expenditure by region has stayed rather constant over the life of the Global Fund, 60 percent to Africa and 40 percent to all of the other parts of the world. Please remember that the Global Fund does not influence these results. We have no policy on how much money should go to each disease and we have no policy on how much money should go to each region of the world. And these outcomes are entirely driven by the country

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driven, demand driven, proposal driven process that underlies the architecture of the Global Fund. The distribution of our resources by who receives them, the nature of the recipient, is also interesting. And we see that in round figures half of the money is going to governments and government organizations and government programs and the other half is going to known government programs such as those run by NGOs, faith based organizations and others. And this again is demand driven. We do not steer this outcome, but it illustrates the important principle of the Global Fund as a partnership between many sectors, including, of course, the communities living with and directly affected by HIV. And here we see how the money is allocated according to the nature of the expenditure, roughly half to drugs and commodities linked to the three diseases, but the other half to infrastructure. And this is extremely important because of the much discussed absorption capacity issues. And we see in this diagram that substantial Global Fund resources are already going to fund human and physical and administrative and managerial and communications infrastructure. And, of course, that infrastructure is polyvalent. Laboratories do not only do HIV and CD4 tests. The nurses do not only treat people with AIDS, TB and Malaria and so on and so forth. So these represent considerable investments in healthcare infrastructure broadly. Coming then, if I may, to the progress with the 25 grants; as I mentioned, we are committed to nearly 300 grants and 25 of them had passed their first birthday by the end of April 2004. So we looked in detail at the 25 which were more than one year old since first disbursement, and therefore might give us some sense of progress by the recipients in making good use of the money made available. And the outcome of that was that 80 percent of those grants, in other words 20, were doing were well. And 20 percent,

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in other words five, were not. And to give more detail to that, 12 grants were actually on track, or are actually on track or overachieving, exceeding the targets that they have set for themselves. Eight grants were doing well, slightly [gap in audio] target by still good progress. And five grants were clearly moving very slowly and were a cause for concern and are a cause for concern. Overall, in those 25 grants, which is less than 10 percent of our total portfolio of nearly 300 grants, about 340,000 people had been trained in various ways during the first year of those grants. And nearly 2.3 million people had in some way been reached by the services provided. In the report you will see an analysis of the 25 grants. The grants in category A, the on track or overachieving, in category B, doing well in yellow, and in category C, in trouble in red. And you'll see those three categories according to the identity of the [gap in audio] and that's rather interesting. It's a small sample. It should not be over interpreted. But it shows, for example, the civil society principle recipients are, so far, in those 25 grants, doing better than government principle recipients. We see a far higher proportion of category A's in the civil society group. We also see that UNDP is as a principle recipient is doing pretty well, bearing in mind that UNDP only is a difficult recipient in difficult and constrained environments because UNDP is our principle recipient of last resort, and therefore is only chosen in particularly difficult and challenging situations. And therefore, I find it quite striking that there are no category C's in the UNDP group. More of this information is contained in the report. I won't dwell on it. But if we simply look at some of the HIV/AIDS results, we see 84 percent achievement of target overall in terms of people reached with voluntary counseling and testing and 81 percent of targets received

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on the variable of people receiving antiretroviral therapy. We expect, of course, the numbers to increase greatly in the months ahead. And finally, the fund, as you know, does give much reliance to the principle of performance based disbursement, money following results. And this slide illustrates that that is indeed what's happening. Because for the status A, category A grants, disbursement levels are at 97 percent of ideal disbursement levels. For the category B grants they are at 65 percent of ideal disbursement levels. And for the category C, slow moving grants, they are at 21 percent. Illustrating that the money is following results, which is what we had all intended. So that's by way of a very brief snapshot of where the portfolio has reached and some of our conclusions from looking at the older part of the portfolio. And it's now my great pleasure to pass the microphone onto the Honorable Minister of Health for Ghana. I would say that Ghana is a special country for the Global Fund. It was the country with which we signed the first grant agreement, to which we made the first disbursement, to which we made the first second disbursement, and to which we made the first third disbursement. So Ghana is a very effective application for and user of Global Fund money. And we're proud and privileged to have the Honorable Minister with us today. And I pass the microphone over to him to chair the rest of the meeting. Thank you very much.

HONORABLE MINISTER: Thank you very much. I'm also very pleased to be here and to be the chair for this event session. As you know, the topic for today's Global Fund is Model for Financing. And Richard Feechum has just giving an introductory--introduction for the call for change, the Global Fund at 30 Months. Thank you, Mr. Feechum. I want to introduce two members of the panel who will give presentations. Global Fund,

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firstly as a Motivating Mechanism. That will be done by Helen Gale of the (inaudible) Foundation. She is on my right side. And then the next person to speak on the Global Fund as a New Partner in Finance and Development will be--forgive me if I don't get your name right, but I have it Debra Werke. Yes? Of the World Bank. I think as the Chairman I will incur indulgence to help me make this a session very successful. Helen, can I call you that? You have the floor.

HELEN GALE: Thank you very much. And it's a pleasure for me to be here to talk about the Global Fund and talk about how it is an innovative mechanism. I am with the Bill and Melinda Gates Foundation, but I sit on the Board as the representative of the private foundation sector. And so I have been very much a part of developing the Global Fund and sitting on this governance committee. And I'll talk a little bit more about that in a minute. You know, I think it's particularly fitting to be here talking about the Global Fund and how it is innovative because it's very origins was to develop something that was new and different. It wasn't supposed to be business as usual because I think at the time when the Global Fund was conceived of, people didn't feel that the world community wanted to just continue to invest in the same organizations that we had and that in order to really get massive increases in prevention care and treatment resources for the three diseases that we were going to need to have a new and different mechanism. So the designers of the Global Fund came together from a variety of different of countries and regions and organizations to put together a new type of organization to finance the scale up of programs. For far too long we've been doing just small activities but not really having the kind of resources that we needed to scale up programs to really make a difference. So it was not

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supposed to be a development agency, not supposed to be a UN agency, not the World Bank or other multi lateral agencies and not a technical agency. It was simply to be a finance mechanism and scale down to the minimum requirements necessary to accelerate flows of funds to the countries at greatest need for programs in HIV, TB and malaria. So let me talk about some of the innovations. And I think the Global Fund is innovative at both country level, but also at the organizational level and how it was actually conceived of to put it together as an organization. So first let me talk about the country level where the work really has to be done. I think there's a number of innovative mechanisms. The first and the most obvious one is the country coordinating mechanism, or the CCM. You'll probably heard that term thrown around a lot. And that's intended to be a group of stakeholders who work together to develop a comprehensive proposal to the Global Fund. The CCM oversees it's implementation and negotiates any continued funding request, except under very special circumstances, all Global Fund proposals actually come through this country coordinating mechanism and in some countries that can be an existing body or in some countries they've actually put together a new coordinating mechanism. In many ways I think it's one of the greatest innovations of the Global Fund, but it's also one of its biggest challenges. And we've just finished a forum focusing on some of the elements of the Global Funds. And this was the one that generated the most discussion. In most cases CCMs are actually working well. And it's clear that there is evolution in the functioning of this body that has government and non government organizations joined by affected communities, working diligently to create and monitor and implement programs financed by the Global Fund. And I think we heard last week some

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really amazing stories from people on the ground level who are working with CCMS and really think that it has been a wonderful mechanism for pulling different sectors together. On the other hand, CCMS also have generated a lot of concerns. In some countries, for instance, governments still dominate the process and the CCMS are used as little more than rubber stamps. Community groups, civil societies, are still not adequately engaged in the CCM process. So I think one hand it's one of its most innovative aspects, it's also the one that probably has the most challenges. Secondly, I think the funding process itself is innovative. Once a grant proposal is approved by the board, the secretariat sets out to formalize a formal grant agreement. This grant is signed between the Global Fund and a principle recipient, which Richard referred to before. That's the legal entity responsible for fund management in a country. In many cases the PR or principle recipient is the government ministry. In others it's a non governmental organization. Sometimes in rare examples, as was mentioned, it could be UN agency. And in some countries there's actual multiple principle recipients. So like in Gambia, for example, there are four different principle recipients and all of them are actually working quite well together. So far funding requests are processed on a quarterly basis. The funding is tied to achievement of pre negotiated milestones. So there's a--and these milestones have to be measured by the local fund agent. And so this is a performance based disbursement of resources. And, again, when we think of innovations, this is something that is new, it's innovative, and the idea of actually having performance based disbursement is one that is a wonderful innovation. Sometimes it's frustrating because by having those quarterly disbursements, having to go through a process of accountability to look at whether or not those

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milestones are actually met that sometimes has meant some delay in funding. But I think in the long run, once countries get the process up and running for using this disbursement based way of judging progress of proposals, it's actually working well. And the last area of innovation I'll mention at the country level is the innovation of simplicity, particularly in its ability to support grants, the Global Fund's ability to support grantees beyond just providing financing. As mentioned, the Global Fund was established to be a financing mechanism, not to be a policy body or a body of technical assistance. Particularly the technical assistance is an area where the Global Fund is able to work with its partners in the multi lateral system, like UN AIDS, Stop TB, Roll Back Malaria and other technical agencies, bilateral donors and NGOs. And we think this ability to draw upon the technical assistance of other organizations and not recreate the wheel is a wonderful innovation and shows that we can perhaps create new organizations that have very specific functions without having organizations that morph into more than what they were created for and become--go beyond the borders of their original mission. So we think the streamline approach that helps to bring in other partners is an innovation that needs--that is important that probably needs to be strengthened, but one that I think has a lot of merit as a way of developing new mechanisms. Let me just end by noting one other innovative mechanism, and that's the partnership forum. We just had our very first partnership forum last week. And as a feedback mechanism, this is a feedback mechanism to key stakeholders that was designed, originally in the structure of the Global Fund. It was conceived as a meeting every other year to allow stakeholders to provide feedback on how well the Global Fund was doing in meeting its core objectives. The idea was smart.

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If we're going to take a risk by innovation and creating a new mechanism, then we also needed a way of providing feedback on how well the new mechanism is working. We had our first ever partnership forum last week and it was quite successful. We had about 400 people from around the world come together, tell us a lot of the good work that we're already doing, but also point out what some of the problems were, what some of the challenges were. And we charged the partnership forum with actually giving us some concrete recommendations on how the Global Fund could actually function better. And I think we got a lot of that. We hope to synthesis the recommendations that we got from the partnership forum. They will be out on the website and I think it will be opportunity to have that kind of a feedback every other year to really look at and monitor the progress of the Global Fund. I'll just mention a few things. Those were some of the innovations at the country level. Let me just mention a few things I think about how the Global Fund was constructed to begin with. That again, points again to some of the new and creative ways that the Global Fund is functioning. First of all, it's controlled by a small board of directors, but this is a board of directors of donors, recipients, as well as effected communities. And so it's a board that I think really tries to look at real partnerships between different communities. And as of the last board meeting, all of the constituencies that sit around the table now have equal voting voices. So we have the effected communities, the non governmental sector as well as the public sector donors who are all sitting around the board and have the opportunity to have a say in the functioning of the Global Fund. The UN partners and multi lateral agencies like the World Bank WHO and UN AIDS are actually non voting members but have a very, very active role on the

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Global Fund Board. So we've got all the different partners, all the different constituencies around the table. Secondly, the Global Fund secretariat structure and, I think, the role is innovative. It's tried to keep a very small secretariat. I think those who are members of the secretariat will sometimes say that their capacity is somewhat strained. But what we didn't want to do is to create a large organization, create, again, recreate the wheel and end up having an organization that went well beyond its mandate or became a huge bureaucracy in Geneva. While I think there may be reasons for the Global Fund secretariat to grow over time, I think having imposed the discipline of a small secretariat starting there and then looking at the needs as the Global Fund goes through, I think, is important. And I think--just the third thing--well, two more things I'll point out that I think are innovations kind of at the organizational level. One is the proposal review process. We have an external review process headed by the technical review panel that's comprised of experts in the three different diseases as well as some cross cutting experts. They review the proposals based on objective analysis, of feasibility and performance and their tough. They've been really tough on these proposals. They've actually rejected 60 percent of the proposals that they've reviewed. Because we want to make sure that the proposals that are funded, particularly in the early phases of the functioning of the Global Fund, meet a high standard for excellence. And so we think that this is an important component of it. And fourth, I would just say, I think that the Global Fund and is new and different for its degree of transparency. There's a level of transparency that's extraordinary and should probably be considered an innovation. You can go on the Global Fund website, for example, and see approved proposals, executed grant

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agreements, quarterly requests for funding. So everything about the Global Fund is open and transparent and people have easy access to it. We think that this is an extremely important function and the way that we would like to see more organizations function, in an environment of transparency. So I hope that this just gives some ideas, some of the things that I think are important about the Global Fund and why it's different. I will say that having been part of the early phases of designing the Global Fund and sitting on the board, that it's hard to create something that you're expecting to function all while you're actually putting the house in order and putting the bricks and mortar together. And so I think we will continue to see this as an evolving organization, but one that has a very firm and solid foundation to start from. And I think we're well on the way now, after a couple of years, of having an organization and a foundation that's solid, that will need to have continue mid course correction, but I think one that is built on innovation and built for successes. And I think we're starting to see some of those successes come forward. So thank you.

DEBRA WERKE: Thank you. I'm delighted to be here to be here and talk about the Global Fund as a new mechanism in the struggle against HIV/AIDS. Two years ago in Barcelona, the fund was a dream. Today, it's becoming a reality on the ground. We have already learned a number of very important lessons from the Global Fund, especially the initial results of its performance based disbursement design and the strong incentives the fund has provided to implementing partners to establish and operate monetary and evaluation systems for program activities. The partnership of the World Bank and the Global Fund have three areas. The first one is we are a trustee to the Global Fund. We keep their money

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for them. The second one, we also collaborate on technical and more specifically on implementation issues. The third and most important one, of course, is our relationship and our partnership at country level and that's what I want to dwell on. As the battle for the fight against AIDS moves increasingly from advocacy for more funding to implementing the substantial amounts of funds that are already available for many implementing partners, the challenge, as we go forward, is the following. The first one is how to ensure that donors are engaging in real partnership. The kind of partnerships that facilitates the daily lives of implementing partners, rather than burdening them with cumbersome procedures. The second one, this is a real challenge for all of us since we have seen in the past, without averations, both in the health sector and elsewhere that donors have a basic choice. One, when there are systems contribute to the cause of helping people improve their lives or when there are systems that slow everything down. When what we ask in terms of accountability and process in sufficiency, effectiveness and transparency or will it present the more typical tendencies of donor bureaucracies to make up rules and regulations for their own sake and not to achieve the objectives of improving people's lives, these are the challenges. Today, there are four major providers of huge financial assistance for HIV/AIDS programs. The first ones are national governments. The Global Fund, PETFAR and the World Bank. In order to promote harmonization and to put the countries and their implementing partners in the driver's seat, the Global Fund, the U.S. Government the World Bank and others signed a few months ago an important document of principles to improve donor coordination and to facilitate the lives of countries and implementing partners. These are the three ones. One

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agreed HIV/AIDS action framework that provides the basis for coordinating the work of all partners. One national AIDS coordinating authority with a broad based multi sector mandate and one agreed country level program monitoring and evaluation system. Putting into practice the three ones will require substantial adjustment on the part of the Global Fund, the U.S. Government and the World Bank. I'm not suggesting that all three donors will be able to implement the most extra mechanisms for donor coordination such as pulling of funds that the World Bank and many bilateral are doing by the way in some countries such as Malawi. However, as a minimum, there needs to be progress in ensuring that the country coordination mechanisms, which are the center of the Global Fund approach, the evolving PETFAR process and the National AIDS Commissions, which receive funds from others including from the World Bank, work as one, not as three. As a minimum, the three major donors can support as from today, the establishment of one monitoring and evaluation system for program activities that will satisfy the management and accountability requirements of the country, as well as the Global Fund, PETFAR, the World Bank and other donors. The present system in which a number of donors provide external and in country assistance through the establishment of program monitoring and evaluation shows the danger of each donor pledging coordination and cooperation and then going its own way in practice. As a minimum, the donor should agree on one process of annual review and their country leadership, as is being done in several African countries. So that dozens of donor missions do not overwhelm implementing partners with constant and overlapping missions and reporting requirements. Fundamentally, get in the way of what we are trying to achieve. Prolonging the lives of those who are effected, mitigating the

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conditions of those who are effected and providing a frame work of prevention activities that reaches everyone at risk. And that's more than a. Minimum, we can go beyond these three ones so that the major donors become the financial instruments that the Global Fund has pledged not to be rather than the heavy bureatic change that we too often seem to be. And that's what my own institution, the World Bank is trying so hard not to be. The publications that we are launching here in Bangkok, one of those Turning Bureaucrats into Warriors is aimed much at improving the way our own stuff work as in assembling lessons learned from implementing agencies. The Technical Guide for Procurement of HIV/AIDS, Drugs and Medical Devices, is a mechanism for scaling up treatment quickly and with efficiency and effectiveness. In closing, Mr. Chairman, the challenge today for all of us who have pledged to increase funding for HIV/AIDS prevention and treatment and mitigation is to increase the funding without increasing the bureaucracy. This is a daily battle to which I know both the Global Fund and the World Bank are committed as are our donors. Let's extend these principles of good intentions into practices of good actions, and that is good partnership. Thank you.

HONORABLE MINISTER: Thank you. We thank Helen Gale and then Debra Werke for very, very enlightened presentations. I'm sure a lot of you are itching to ask questions and to make contributions. At this stage I will give the floor to people who will want to make such contributions and to ask questions. How is it going to be organized? Okay. I can see four microphones. You come and we will start from the rare. So that gentlemen. You mention your name and your identity and you proceed with your question.

ALEX MENYA: Yes. I am called Alex Menya from Uganda. I'm the

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National Coordinator for (inaudible) on HIV/AIDS, TB and Malaria. I have two questions. The first one goes to the World Bank. Somehow she mentioned about the Malawi expedious. And I was in Malawi and I was very much impressed by having all these donors bring money to get in your basket to outweigh competition which is rarely seen in some other countries. So can the Malawi example be recreated somewhere in every country. We have (inaudible) and whatever and maybe also for easy accountability. Because there are some organizations that are getting from PETFAR, they are getting from World Bank and they are getting from the Global Fund. So to avoid all these, the Malawi example stands to be the best I've seen. So I wanted you to comment on that. And then to Helen Gates, I have one question about the procedure of the Global Fund. So many proposals have been sent to Geneva. And most of these--not most but quite a number of them have been rejected. Is there--if (inaudible) that a country that presented a proposal which has been rejected, can present a new one or can go to a joint board and present a new one other than just missing out? Thank you very much.

HELEN GATES: We're just going to group the questions together. So why don't you--the people who are mic.

ANDY PEU: I have a question for Richard or Helen. I knew at the recent board meeting there was discussion about--my name is Andy Peu. I'm with Care. My question is, at the recent board meeting there was a talk about requirements versus recommendations and the Global Fund has originally proposed requiring that country coordinating mechanisms take certain steps. And then I understand that the Board of Directors changed that to recommendations and I just wanted to hear from Helen or Richard what was some of the thinking behind those decisions and give us a little-

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-if they could flush that out a little bit.

KEITH RAFFAM: Keith Raffam, Journalist in Parliamentary, United Kingdom. In view of--it's really following on an earlier question. In view of the high number of applications that are rejected, I'm wondering if you could elaborate, is there any negotiation entered into over applications or are they just rejected outright? Is there a feedback process? Is there a process of sharing of best practice? Does the partnership forum, for example, do you think that's going to fulfill that role? And I realize that the applications have to emanate from the country, you don't impose things on the country, but do you have an ability to sort of show your own concerns? For example, I was hearing from your vice chair earlier today about the 300,000 IDU injection drug users here in Thailand, 50 percent of whom are HIV positive. And, of course, a large number of them may be HCV as well, and the lack of needle sharing here. And he hopes that that will be introduced. But do you have a way of kind of nudging that process and encouraging it to make sure the money that you're giving, for example, to Thailand and perhaps to other countries is used in a very cost-effective manner?

KATIA VAL: Hello. My name is Katia Val. I'm with Action Against AIDS Germany. There has been a lot of talk, discussion and NGO activity around the question of a fifth round--

HONORABLE MINISTER: Yes, can you speak a little bit. We can hardly hear you.

KATIA VAL: Sorry. My name is Katia Val. I'm with Action Against AIDS Germany. There has been a lot of discussion here at AIC around the fifth round by the Global Fund. I would like to ask the question if there is planning for a timely fifth round and what would be

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the consequences if there was no timely fifth round?

CARLOS MATEL: This is for Mr. Richard Feechum. I'm Carlos Matel from Honduras. And first of all, I belong to the Civil Society in Honduras and we were very concerned about a lot of different things for this issue the Global Fund, you know, because we're talking about people's lives. My question is how is it for the Global Fund that corruption is perceived? Because from what I know in Honduras there was a case about, you know, about some things, about acquisition things and all those things, as many other countries that I know. So I would like to know how the Global Fund has handled the situation about the corruptions because we're talking about the people's lives. I mean, we're not talking about send money, we're talking about saving life. So I would like you to give us, you know, an explanation about it. Thank you.

NOUGHT VOYA: My name is Nought Voya from Kenya. I have some specific questions to Debra. Now this concerns the malaria experience and the idea to have (inaudible) approach, the pulling of resources from the partners together. I was recently asked in my country to advise government, the ministry on the way forward. And normally the department head looks for evidence. And so I searched from evidence to try to inform the policy that if we go into this model operation there is evidence that this is going to be effective in terms of delivering better health to the population. And so far I have not been able to gather sufficient evidence. I just want to find out if there is sufficient evidence to show that that approach, the sectorized approach, leads to a better delivery of healthcare to a population compared to as situation where this is not implemented. Now I think coming from the World Bank the idea of harmonization of procedures is very, very important. And I hope that this

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is something you can move on beyond just Bangkok into Washington, into London and to other places. Because when you have in a country many partners with different requirements in terms of reporting, it gives a lot of headache to the officers implementing the various programs. And in fact, as a government, we end up spending more money trying to implement those programs as opposed to the actual in flow of development assistance. So I don't know to what extent there is commitment to this because if you look at the various (inaudible), they're all different governments. Is it really feasible that this will ever work? That there will be a time when these procedures will be harmonized? Would it be possible, maybe, to consider a financing system which is budget support more where a countries plan is supported by the partners as opposed to having specific pulling of (inaudible) at the sector level? So that is really my question. Lastly, I just want to congratulate the Global Fund. I think you're doing a good work. And lesson three is the amount of resources which have flowed to the countries, in my country we are very grateful. A lot of work is going on. We spent a lot of time preparing and we see a lot of hope in the future. So we just hope that the commitment is sustained and that looking at the figures that Richard presented there is a huge deficit and there's a commitment and I hope that you can do everything possible to ensure that the (inaudible) more resources to finance this particular fund so that it is effective and accessible. Thank you.

HONORABLE MINISTER: Thank you. I think in the interest of time we will take questions from those who are standing only. So the last two. And please--three. I recognize three. And make your questions brief and straight to the point.

FREDERICK MOYA: Thank you very much, Honorable

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Minister from Ghana for giving me the floor. My name is Frederick Moya. I'm the Regional Advisor for Africa from the International Organization of Employers. I wanted to make two remarks. And I must say I'm making these remarks also on behalf of all partners from the trade union movement, the International Confederation of Free Trade Unions. Professor Richard Feechum, in his comments, talked about disbursement of funds to recipients and he did give a breakdown by mentioning governments, faith based organizations, NGOs, and he said others. The employers and the trade unions would like that they be included in a much more prominent way, not being put as others. We--our members from all over the world are doing a great job in trying to mobilize themselves, employers and workers together in order to scale up the war against epidemic. And we're a major component when it comes to the war against HIV/AIDS. As an example, we have signed a joint agreement that calls on all members from all over the world, employers and trade unions to come together at a national level to develop programs, policies. And probably if we could get support from you, we'll be able to scale up activities. And this also applies to the World Bank, the MAP Initiative would like to know how we can tap into your resources so that we can compliment what we are doing at national level. Thank you very much.

HONORABLE MINISTER: Thank you. Mic, four, you have the floor.

ELLIOTT: Good evening, my name is Elliott. I have a small NGO in Keeve, Ukraine, and I thank you for the opportunity to make a comment and pose a question. We applaud everywhere the efforts of the Global Fund to assist governments in need and I think this is really great. Like anything that moves forward, systems need to be tweaked from time to time to make them more efficacious and efficient. In the case of what I've

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heard this evening and some reflections of my own, and in the interest of transparency and accountability and using the EU reference as a guideline, could it not be that the Global Fund somehow, besides it's categories, is a little more specific in why proposals are rejected? That's the first echelon. The second echelon deals with the principle recipients of Global Fund money who in turn pass out tenders and then have a caveat that there is no further information that will be given. I think in the issue of transparency of and accountability it would be very good to know why certain tender proposals were rejected. Not to ask why somebody won, but why did we lose? Why is this beneficial? Because as people start to develop a feeling of how to write a proposal, it's always good to have feedback. It's always good to know what went well and what went wrong. Was it the study design? Was it the partners? Was it this? Was it that? Did we not adhere to best practices. It's only by getting some feedback that the system can mature and develop more fully. Cutting this off doesn't help that system. Thank you very much.

HONORABLE MINISTER: Five?

PAUL ZADES: Thank you. My name is Paul Zades with the Global AIDS Alliance. And my question is for Debra Werke from the World Bank. In reflecting on some of the information from the conference, we're still under funding the Global response and the response in Africa specifically. And I just wanted to ask you to comment on the fiscal dynamics that are going on because we have the Global Fund now, we have MAP, we have PETFAR, but the amount of money going into the response in Africa is still far under what is needed and is still far less than what African governments are paying out to the IMS, the World Bank and the wealthy nation creditors in the forms of debt servicing payments. Each year African governments

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are paying around \$12 billion per year out to the north. So I'm wondering if you think there's anyway that the World Bank as a major creditor could consider new innovative ways of transferring those debt servicing payments either locally to Global Fund approved programs or whether the debtor nations could become donors to the Global Fund. Like, for example, the government of Nigeria putting its \$2 billion of debt servicing right to the Global Fund instead of sending it to the creditors. So the dynamic of debt relief in the context of the Global Fund is my question for you.

Thanks.

HONORABLE MINISTER: Okay. Thank you. I'm afraid that will be the last question. We'll ask the members of the panel to address all the questions. I think we will start with Professor Feechum.

RICHARD FEECHUM: Well, thank you for the excellent questions and comments. I'll go quickly through a few that were directed mainly to me. Firstly, rejected applicants and the possibility to reapply. Absolutely, yes. Rejected applicants are encouraged to reapply in the next round, and many of them do. And the acceptance rate for reapplications is much higher than the acceptance rate for initial applications. And from the technical review panel, guidance is provided to rejected applicants about why they were rejected. But coming to a later question, I fully accept that this guidance is not yet adequate and we should provide more guidance to rejected applicants about why they were rejected. Secondly, the board did indeed discuss and have discussed before whether the recommendations about CCM composition and practice should, to some degree, become requirements. And a board committee, some members of which are in this room today, tonight, made very clear recommendations to the board advocating requirements on CCMs. The board

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discussed this and took a different view and decided to, for the time being, keep with the policy of recommendation plus careful measurement and benchmarking of CCM practice and performance. The partnership forum, which met last week, strongly disagreed with that position and has recommended back to the board that the requirement element in CCM guidelines be reestablished, doubtless this will come back to the board at its November meeting in Tanzania. Next the funding of harm reduction and programs for drug using communities, the Global Fund does fund this work of this kind, Thailand is a very good example with a grant directly to an NGO focusing on the problems experienced by the drug using community. We would wish to do more of this kind of work. We're also funding substantial work in this field again through NGOs in Russia. I don't think it's anything like enough, but it certainly is supported by the Global Fund. We would hope to support more work of that kind in the future. Next, round five, at its last board meeting the board requested the secretariat to prepare round five, that preparation will get underway next week. And by the time the board meets in Tanzania round five will be prepared and will be ready to launch. The partnership forum, again, discussed that question and called on the board to launch round five when it meets in Tanzania in November. The board will have to take that decision at that time. Next question from Honduras about corruption. The Global Fund takes a very strenuous position on corruption. And any evidence of corruption would be grounds for the termination of contracts and the requirement that all moneys be returned to the Global Fund. We have a variety of mechanisms in place to guard against corruption or to alert us when corruption may be occurring. We are not naive and we do not believe that those mechanisms are perfect. The principle mechanisms are,

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firstly, performance based funding, the money only flows as results of being reported. And it's hard to achieve results if most of the money is being stolen, to put it crudely. So that is in itself a safe guard against corruption. Secondly, the work of the local fund agent. In each country we have a contract, typically with an accounting firm, to keep an eye on the money and to periodically audit and verify that the money is used for the intended purposes. And thirdly, transparency, transparency, transparency, by publishing blow by blow on our website what happens in each country we hope that many other are engaged in vigilance on our behalf because the information is there for all to see. And if anyone should suspect that statements made and reported on our website about particular progress or particular results, which have triggered further disbursements, if anyone should believe that those statements are inaccurate, then they are encouraged to let us know and we believe transparency is an important safe guard against corruption. None of those three things guarantee the absence of corruption. And we are not naive about the risks involved here. The comment about employers and trade unions, we very strongly agree. We would like more employer and trade union representation on the CCMS and we would like more employer and trade union involvement in applying for Global Fund money, receiving it, and using it effectively. We believe that employers and trade unions can you play--are playing an important role and can play a bigger role. I'll end there. Thank you.

HELEN GALE: Yeah, I don't have a lot to add because I think most of the questions that were directed specifically to my presentation Richard has just answered very much in the same way that I would. So I just maybe will add a couple of points on some of the issues. I think the

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point that several people made about the rejections, I think Richard answered well. I would just say in my comments when I said that the technical review panel had rejected up to 60 percent, was not necessarily an indication of where we hoped to be, but an indication of the fact that we do have a process in place that is rigorous and takes seriously it's tasks of making sure that the proposals are of high technical quality. But I think as Richard pointed out, what we want is to have those rates actually decrease. Because we want is to be able to have high quality proposals come to the Global Fund and be funded because the need is there. And I think it speaks to one of the points that we feel very strongly about, is that the Global Fund does and has continued to strengthen the technical assistance at the country level that is available so that more and more proposals come in of high quality that meet the demands and so that are of excellent quality but also more and more people who need the resources, more and more countries get the resources the first time around. And I think we're moving in the right direction. And in the same regards, somebody asked the issue of kind of why the totally reactive response, shouldn't there be a greater role in suggesting what the best practices are. And I think as more best practices from the Global Fund become available as greater technical assistance is available and strengthened--although we think one of the innovations of this mechanism is that it responds to the needs of the country as opposed to the needs of the donor, which is often times the case, that we need to make sure that countries, in fact, are getting the benefit of what the best standards are, the best practices are. So that, in fact, we are able to make sure that, again, the highest quality proposals that meets the needs of the countries are possible. And I think Richard answered the rest of the

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questions that people had asked. So I'll pass to Debra Werke.

DEBRA WERKE: Thank you, Helen. I'll go in the sequence that the questions were asked. Can the Malawi experience be duplicated? I see no reason why it wouldn't. But we also need to be cautious as to what made Malawi happen and do other countries have these ingredients. I think two things were responsible for what we see in Malawi today. One is the country leadership. It is countries who should be in the driver's seat and who should be telling donors you need to come together and respect what we have as a country program to support. The second one was also an awakening on the part of the donors. The UNH, DFID of the UK and the World Bank paid a visit to Malawi together and they could see for themselves how stretched the limited capacity--and this is another thing which we need to take into consideration when we talk about funding. Apart from the ravage ness that the epidemic brings in these countries, it's already adding onto a dilapidated system and very scarce human power. So this is something which these three agencies could see in Malawi when they visited Malawi together. I think these are the ingredients which would make things happen at country level. And personally I don't see any reason why it cannot be duplicated in other countries, taking into consideration the specifications of the countries and how they work. So that also is a response to is pooling of funds applicable. Is there commitment to do this? As many of you know, we are conducting leadership sessions in this conference. And yesterday we had a session for donors from about seven countries to talk about exactly the same issue. The development minister of (inaudible), Hilda Johnson, who is a major supporter of the (inaudible) was asked exactly this question. Is there commitment? And her answer was, yes, we are committed to make this

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happen. So the honesty is on all of us, donor, governments, bi laterals, multi laterals, but more importantly the countries who are on the one hand need the resources to run the programs and on the other hand who are pulled apart by 10,000 donors to make this happen. So there is commitment. Budget support and other issues which was asked by (inaudible). If you look at the poverty reduction strategies that the World Bank and others are implementing at country level now, the funding system has shifted so that budget support is also part and parcel of this. And one of the things that we need to look at when we look at HIV/AIDS funding is what's happening to the rest of the funding to the poverty levels, to the infrastructure, etc. Trade unions, they are part of the MAP. Yes, we do fund trade unions as part of the MAP and we encourage you to be part of it. That is the essence of the MAP. Trade unions, the private sector communities, everyone who contributes to the national program of the country can access MAP resources. The most difficult question, as usual, was asked by Paul Zades. Paul, debt relief and debt cancellation is an agenda which is being laid by the bank itself. It's a much more complicated agenda. There are a number of things that happen whether the debt relief. Money that is going back to the countries or needs to go back to funding organizations such as the Global Fund is determined by another of entities. The bank has its board, its board of governors and it is a step at a time. If you remember, the MAP was alone a few years ago. And it is the (inaudible) and the board of the bank who collectively decided that it should be a hundred percent grant. I see the same rationale behind debt relief and debt cancellation. In the interest of time and also because it's not my expertise, there is Keith Hanson, who is the Manager of the AIDS (inaudible) for Africa who is much more

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knowledgeable than I in the room and I would lead you to him. This is the best I could do. Thank you.

HONORABLE MINISTER: I will use this opportunity to have my friend from Malawi--even though I'm not supposed to be a respondent. I believe that Ghana has been also a pioneer in the approach to healthcare financing. And so the observer of Ghana and the people who are here if you are (inaudible) contact the minister of Ghana. The other thing that I want to add is that as far as (inaudible) concerned, if my memory serves me right, either the benefits or the advantage serve. I don't think I want to go into details because again I'm here only as a moderator and I'm in charge of all the process. But there are server, I tell you. I will hazard just one, the fund that you take that donates along with you makes your case even easier for you because in the planning process, even though you are in the driver's seat, you also participate. It makes--it changes everything. I will comment to you. We'll go to--I think we will have to call (inaudible). On this session, session two, we'll call on Umberto Conzenza, the Minister of Honduras. And then Abraham Korean, India and then Simon Umpoka, Churches of (inaudible) Zambia. We have to--we want to be very efficient with time. So, Umberto, you have the floor. I think the topic for this session is Presentation from the Global Fund Partners. Umberto, you have the floor.

UMBERTO CONZENZA: Thank you. Thank you, Mr. Chairman. Honduras appreciates the opportunity given to present to you its experience in the realization of the Global Fund Grant. It is all about saving lives, said President (Inaudible) on January 2003 as Honduras became the fifth country worldwide to sign a grant with the Global Fund. A grant to strengthen the national response to HIV/AIDS for 27 million,

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tuberculosis for 7 million and malaria also for 7 million. With an HIV prevalence between 1.2 and 1.8 percent and about 16,000 AIDS cases reported since 1985 when the first case was reported, the experience of Honduras clearly shows that the implementation of an antiretroviral treatment program in a resource constrained setting is feasible, accepted and affordable. In our particular experience four were the main factors that have contributed to an access for all program. One, political commitment at the highest level. Two, price reduction of antiretroviral drugs. Three, access to Global Fund resources. And four, the implementation of practical training of human resource. To political commitment, a presidential involvement at the highest level that declared the HIV/AIDS epidemic a national priority and brought the issue to the forefront for open discussion. And two, the rapid allocation of national funds in the budget aligned for antiretroviral drugs. Up to now, Honduras as invested \$1.5 million of its own money in the two year time for antiretroviral drugs compared to the \$1 million so far that have been spent with Global Fund money. After reduction of antiretroviral drug prices, we started with a price tag of \$1,400 when we took over government for a first line therapy of AZT, 3TC and (inaudible). This came down to \$1,000 per year per person during a central American negotiation in 2003 and to \$640 per year per person with global fund purchasing. And at the present time, the country is switching to a triple drug therapy with two capsules a day that will bring down the price to close to \$200 per person per year. And to access to Global Fund resources, the acceleration in the acquisition of antiretroviral drugs was the determining factor. This was made possible--antiretroviral drugs at cheaper prices and also made possible the hiring and the training of the much needed human resources

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that are now to be at the end the bottle neck of an access to all program. Practical training of human resources became then the most important hurdle that we have to conquest. Honduras has a strong core of professionals trained in SUVAs. So we used them. We took the best of them and we started a training program, learned by doing and in a matter of three months we were able to set up the required human resources to implement the therapy needed. Where are we now? From July 2002 to June 2004, we have established 11 antiretroviral treatment centers. We have trained over 80 health professionals in this business. We are as of June 30, 2004, treating 2163 patients with antiretroviral drug. And this we believe represents more than 50 percent of our final goal, which is to end up with 4000 people by the end of the present government in January 2006. After the challenges, we believe now that there are three main challenges. One, coping with the appearance of HIV resistance. We already are beginning to see that. And a few patients that are coming up with resistance have a price tag of \$6000 per patient per year that obviously will have to be addressed soon. We also are facing with guarantee and the quality of life to those people that are now in antiretroviral treatment for live. We believe that it is not only enough to give them the antiretroviral drugs, but the government has to give them also a quality of life and a productive one. And third, the appearance of a large number of HIV orphans, six percent of our HIV cases and AIDS cases now belong to children and it becomes also an important problem. Finally, I would like to mention a few lessons that we have learned that have made us ask after the Global Fund what. We should take advantage of the opportunity that has been made possible by the implementation of the Global Fund. It is our only--it's the only situation we have where government, civil society,

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and donors sit around the same table and discuss problems that are effecting the country and the health system for three diseases. We believe that the support and implementation, we should be implementing a national strategic health plan that reflects the country's priorities and incentives the harmonization of all financial resources in the context of a poverty reduction program, a strategy and the achievement of the millennium development goals. We consider such a harmonization and alignment of all financial resources around national priorities established by all stakeholders to be of utmost importance to maximize the health impact of resources and to guarantee the strengthening of a national health system. Thank you.

HONORABLE MINISTER: Thank you. We'll call on the next speaker. Abraham Korean, you have the floor.

ABRAHAM KOREAN: Thank you, Mr. Chair. Good evening, friends and colleagues. Today I am speaking in front of you at two levels. One is as a CCM member and the other is a successful Uganda recipient for the fourth round. As I am a nominated CCM member representing people living with HIV in my country. And also I am elected from my constituents as the people living with HIV. I am extremely thankful to the Ministry of Health of India for giving me an opportunity to participate in the CCM. CCM mechanism is a kind of coordinating body that initiate the dialogue between the civil society and the government of India related to the HIV/AIDS issues. In my country HIV/AIDS program divided my country into three (inaudible). One is high prevalence and the other is low prevalence and the third one is mid prevalence. And I, as the President of Indian (inaudible) for People Living with HIV as all India, I am very concerned about the issues around the people living with HIV from the different

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(inaudible). As a city member also it is of a great challenge to bring the diversified voice from the different prospective from the country, from the different settings. And as a level that I'm representing here as a grant recipient in the fourth round. That is a higher percent of Indian for people living with HIV is high. IMB plus is a part of NGO consortium which got (inaudible) approved in the fourth round. NGO consortium is a reflection of the civil society partnership. We are happy about that. And lastly, I want to say in the mission of IMB Plus that is to improve the quality of live of people living with HIV/AIDS and India and that is also the same of the fourth round application of the Global Fund. So therefore, our organization needs to take an important role to ground the activities soon in the country. Thank you very much.

MALE SPEAKER: Thank you so much. I have the gift of being brief so I won't take you long. But what I'll do in the next few minutes is just to give you an experience of one of the principle recipients, which is the Churches Health Association of Zambia. The Church's Health Association of Zambia is an umbrella body for church health facility and church based community programs in Zambia. And all together in terms of the health facilities, we provide 50 percent of the healthcare service in Zambia, 30 percent of the national healthcare services, making us the second largest provider of health. Zambia has a very unique model in the Global Fund. We have four principle recipients. The country coordinating mechanism of 58 percent is non governmental adopted this model to ensure that this rapid dispersal of funds--of the Global Funds were the four principle recipients. We have central board of health, which is basically dispensing to all districts in Zambia. We have the church's health association of Zambia, which is a principle recipient disbursing resources

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to all faith based organization. CHAS is predominantly made of Protestant and Catholic. Because of the issue at hand the board agreed that CHAS would rate with other faiths Muslims and Bahi to ensure that the resources were distributed. And as CHAS, we signed a grant agreement in March 2003 with the Global Fund. To date we have received \$4.2 million. We signed grant agreements in HIV/AIDS, TB and malaria. Out of interest we are also working with the emergency plan and through that plan CHAS institutions will be able to provide ARVs to most of the mission facilities. What is the performance to date? The first phase of the Global Fund was to build our own systems. Monitoring systems, financial systems, disbursement system, and that to us has gone quite well. Disbursement of funds, actually we received the second disbursement about four weeks ago. And all the resources, at least one third of the resources that which were meant to be disbursed have already been disbursed. In terms of malaria control, we have distributed over 8000 ITNs in the last three months. And Zambia, again, was on record. We were the first country before the Global Fund to change our treatment policy for malaria. We have resistant levels of up to 47 percent as a national average. But some districts are even reporting 65 percent. So we have changed our method of treatment to a more expensive drug, which is a (inaudible) and this drug, which I'm holding in my hand here, commonly called (inaudible), is solely funded by the Global Fund in Zambia. And this drug at the moment is being rolled out. We have 28 districts and 57 health facilities run by FBOs actually providing this drug. To date in the FBO facilities 18,000 people have been treated. There are other programs in terms of strengthening. The community DOTS program. And by the end of this year we are hoping to target 60,000 people living with HIV and AIDS, 5000 orphans and 2000

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infections to be prevented through the mother to child transmission. In doing our assessment as CHAZ we have seen that there are very serious capacity needs. We have done an assessment of our constituents. There are issues of human resource. Just last year 2000 nurses left the country to work in other countries including Europe. There are problems of infrastructure, problems of transport and many other issues. But despite that we are also facing a lot of challenges. One of the challenges I think was mentioned by Dr. (inaudible), coordination with other donors. We have World Bank. We have Emergency Plan. We have DFID. If you were working at national or district level in Zambia, you would actually feel the pressure. You have to think DFID at times. You have to think World Bank. You have to think Global Fund. And that is causing a lot of confusion even as you go to district level. The other thing is the capacity of sub recipients. We have huge capacity problems. We are happy that through the Global Fund we are addressing some of these capacities in terms of human resource and we are talking about capacities at lower level. High expectations from faith based organizations. It's like the Global Fund you can get anything, \$1 million just apply and the expectation is actually too high. To conclude with I would like to answer the question is the Global Fund different, and these are prospective from CHAZ. When I was giving a presentation to faith based programs a few days ago, somebody asked me, is your salary paid by the Global Fund? I said no. Is your scholarship to the AIDS conference paid by the Global Fund? I said no. Well, why are you speaking so well of the Global Fund? I'll be doing myself, coming from a faith-based community, a lot of disservice if I tell lies. So these three things about I'm saying are three things that we as CHAZ feel that the Global Fund is different. One,

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strengthening the local organization. If you were to come to Zambia today and see where the national AIDS network was two or three years ago, if you had to see where the Church's Health Association of Zambia was two to three years ago, you would see the difference in terms of systems, processes and capacity building that has taken place. Two, we definitely feel that the Global Fund is less bureaucratic. As CHAZ we receive funding directly from the Global Fund in Geneva, no bureaucracy. And to make matters even better, when we receive our fundings, essentially six months funding. And you request funding, you know, for the other quarter so that you have a buffer system so that you don't run out of funds. And I think this we learned from the process in Zambia, and for that we are happy. The third one is (inaudible). We had expected the Global Fund to move in supersonic speed, but you know, when we reflect back and say, by all means, when we look at one year in CHAZ, \$4 million in one year, we can say yes we had problems but the disbursement was too fast. So in conclusion--before I conclude, we have also seen to begin with we had a lot of problems with bi laterals, but this same model is being adopted by bi laterals. We have the Norwegians. We have the Netherlands government who are now channeling resources using this same model that has adopted by the Global Fund, which is an achievement. What do I have to say in conclusion, we have a lot to learn together. We have a lot to do together. The Global Fund as a financing mechanism needs to be supported. Thank you so much.

HONORABLE MINISTER: Thank you. We'll invite comments from the Global Fund Secretariat and then--we'll take two questions. I'm afraid we don't have time. So two questions only and then a summary comment from the Global Fund Secretariat and then we'll knock off. So finito. So I'll

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be generous three that is all. Three, four, five mics.

DEREK FLOWERS: Hello. Derek Flowers from Belize. My question is for the Honorable Minister from Honduras. Under the Honduras project can migrant immigrant and mobile populations access ARVs? As you know, there are constant movement of people between Honduras, Guatemala and Belize. Most multiply the (inaudible) population, which you know is a very big population of HIV right now in Central America.

HONORABLE MINISTER: Okay. Four, mic four.

MALE SPEAKER: Yeah, thank you. (Inaudible) from Morocco. It was a pleasure to hear (inaudible) recipients and also to hear from the executive director that the NGOs are more effective than governmental programs supported by the Global Fund. And I would like to now say in these results what are now the politics of the Global Fund in order to encourage more NGOs like (inaudible) recipients? Thank you.

HONORABLE MINISTER: Okay. Five.

PAUL ZATES: Hi. My name is Paul Zates with the Global AIDS Alliance. I wondered if the panel could comment. U.S. Government officials here at this conference have been attacking the Global Fund claiming that their approach to disbursement of funds is more efficient and more rapid. That they have 20 years of experience and their better, better, better and they're in writing and publicly trashing the Global Fund. So I wondered if any of the members of the delegation are both U.S. Government and Global Fund grantees. If you could give us your insights about the strengths and weaknesses or compare to two delivery mechanisms. Thank you.

HONORABLE MINISTER: I said three, but for your persistence, three you have the floor. You may go ahead. You are the fourth speaker.

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MALE SPEAKER: I'm (inaudible) representing the (inaudible) of India, which is a correlation of the organizations in India. India being a country very large one like any other continent, I see there is only one (inaudible). This is a question to Abraham and to the board members of Global Fund. There is only one PHLA representing the whole PHLA in India in the CCM. Possibly he's wise of PHLA. He's not heard properly and his suggestions are not well taken in the CCM. And need to recognize that there are PHLA groups other than those who will be benefited from this Global Fund out there and are willing to get benefited, get involved as well as contribute in the Global Fund's duties. So my suggestion is to Abraham to make sure that other PHLA groups get representation on the CCM boat. As well as to the Global Fund secretariat to look into the matter of actually funding the (inaudible) based projects. And everybody will agree with me that PHLAs are the best to identify their needs and more PHLA proposals needs to be funded. Correct me if I'm wrong, only five percent of the Global Fund will be provided to PHLA organizations. This needs to be increased and I--thank you so much.

HONORABLE MINISTER: Okay. You made your point. Thank you so much. Members of the panel to address the specific areas that are attributable to them and then we'll--

MALE SPEAKER: In answer to the question from Belize, we have no policies against providing antiretroviral treatment to non Hondurans. So as far as I know anybody that needs the treatment is provided with the treatment. However, obviously the country cannot--would not be in a position to take infected people that need treatment for other countries because we're in a resource strait situation. The World Bank and also the ministers of Central of America are getting together and putting together

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and idea to address the migrant workers population which is a problem. So we are exploring the possibility or applying for a second Global Fund grant on the regional level to address that particular point.

MALE SPEAKER: In response to Mr. (inaudible) suggestion, actually I am a blessed to be nominated in the CCM. I know that there is very less representation in people living with HIV in Indian CCM and we are looking for that. And also we are making more people living with HIV (inaudible) one of the recommendations the plan forum is also that more civil society participation, especially people living with HIV, the three diseases. And (inaudible) people living with HIV in India it is also welcome to be part of the NGO consortium. The NGO consortium has already had an option to be participating in more NGOs in that consortium.

MALE SPEAKER: The question which Paul asked I think is a very, very difficult question, which is better the USID or the Global Fund. I personally feel that that questions, we should not even address it because I think in an emergency situation, I think that will be the wrong question to ask. Imagine you're at war, (inaudible) to say which is better. But the question that I will pose, I personally feel that each institution whether it be multi lateral, bi lateral, we should never forget that in the fight against HIV/AIDS we are also part of their change process. In other words, as much as we talk of behavioral change, as institutions, as organization we should always be questioning ourselves. If our services are really relevant, what are we learning on the ground and how are we to change. And I think basically that's how the Global Fund came about.

RICHARD FEECHUM: I would like to address two questions that I think are particularly relevant for the Secretariat. One was a question about the politics of the Global Fund to encourage civil society

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participation. And I think that is a very, very important question. As already mentioned, so far we have mainly recommendations from the board to strengthen a civil society participation at CCM level and we would like to see that strengthened. We very much welcome the suggestions from the partnership forum to turn this into requirements. And I'm sure that this whole issue will be revisited and that this is a process to constantly increase the involvement in civil society in CCMs. But also the question about more principle recipients coming from the civil society. I think that is fully endorsed. Again, that can't be a requirement at the moment. At the moment we are relying on good examples like the one we heard from Zambia where you have four principle recipients and if that is taken as a best practice I think many questions will learn from that and see that it is to the benefit of all partners actually if there are principle recipients both from government and NGO background that funds can flow faster and more effectively to the people and that will convince other countries to follow the same. And maybe finally also on the question of disbursements and the comparisons and we know that there is a lot of discussions at this conference and comparisons between PETFAR and the Global Fund. And we've always maintained that we don't want to comment on other organizations performance. We are looking at our own performance. We have issued the report that is in front of you and it contains data that were put together as honestly as possible explaining our disbursement rates and the results we have achieved so far. And some of the stories you've heard tonight and it is up others to decide whether these disbursement rates are indeed slow or whether they are on target and what are the reasons for it. It was created on the principle of performance based disbursement. It has to be understood always that it is a quarterly

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disbursement of the Global Fund. So if comparisons are made, then it would be just fair that in the fully story is told and things are really comparable. And then our definition of what we mean by performance based disbursement is taken into account and certainly also comments about the experience of the Global Fund. Certainly it is only two and a half years in existence, but it certainly incorporates decades, I would say, of experience in development aid. Because when the Global Fund was created, the great opportunity was that people could come together from many different countries, north and south, exchange their ideas of what they had learned and now to create something new that would have many of the innovative aspects that you've heard about tonight. So although the institution is new, certainly the experience that went into the creation of the Global Fund and also represented in the secretariat is much more extensive than that, and I hope that this also shows in the results that we have achieved so far. So these would be my two comments on the questions. And with this, I do not want to delay the process further. Umberto? One comment from Umberto.

UMBERTO: Just to address the point, I think its fear to say that when we initiated the antiretroviral treatment the Global Fund was the only institution that would buy antiretrovirals for us. There was no other institution. I'm talking about 2002. All the other organization said we give money for prevention. We do not give money for treatment. So for us, at that time, the Global Fund was the only institution that would support our antiretroviral program.

RICHARD FEECHUM: Thank you very much, Umberto. With this I would like to thank you all for coming to the satellite session and for participating in a very lively debate. I must say I was very much

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impressed by the quality of your questions and comments and I felt a little bit like a continuation of the partnership forum that we just had. It was another opportunity to hear from you, from U.S. stakeholders. As with the partnership forum, I can assure you that we take all of your concerns and comments and suggestions very seriously. That we take them back to Geneva and that we constantly try to improve our operations based on what we hear from you. So thank you very much for this very lively debate. And in a second will move over to have some refreshments and-- actually some of you who know us very well, you are aware that the Global Fund is engaging in a major exercise in replenishing it's resources so we had some opportunity for some practice tonight because we had to quickly replenish the resources put up there for you because the first was already used before you came in. And I'm happy to tell you that we succeed in this exercise for this time. We hope it will be the same with replenishing the resources of the Global Fund. So we invite you for a reception and some refreshments right after this. And I ask the Honorable Minister to make some closing marks for coming.

HONORABLE MINISTER: Thank you. We thank all our panelists for this wonderful presentation. I was tempted to give a summary. I shared that idea. You have heard it all. The second point is I wanted--I was also tempted to be a participant. I take myself out of that temptation. I want to take thank also Global Fund and finally you who matter. You who have listened. I thank you all for coming and I'm sure that in another forum we shall meet again. Thank you.

[END OF RECORDING]

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