



Board Retreat

The Changing Landscape and Implications for the Global Fund

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 **The Global Fund**

Content Overview

1. Context and key questions

2. Key challenges and opportunities
3. Recent Global Fund innovations and possible ways forward
4. The Development Continuum

Key questions

- What kind of Global Fund will we need in 15 years?
- How should the Global Fund evolve and adapt to the changing landscape?
- Considering the changing landscape and environment, how should the Global Fund adjust its ways of working in different country contexts to maximize health impact?
- What are the key actions and ideas that should be central to the Global Fund's 2017-2021 Strategy and operations?

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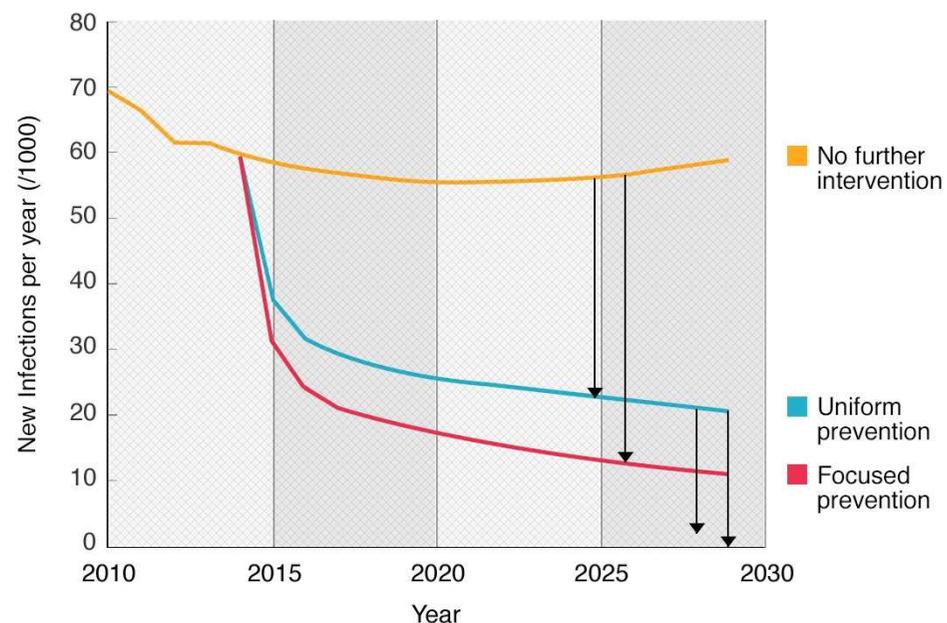
Two historic opportunities

Ending HIV, TB and malaria as pandemics/public health threats (low-level endemicity)

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Creating an inclusive human family

Example: Scenarios for new HIV infection rates



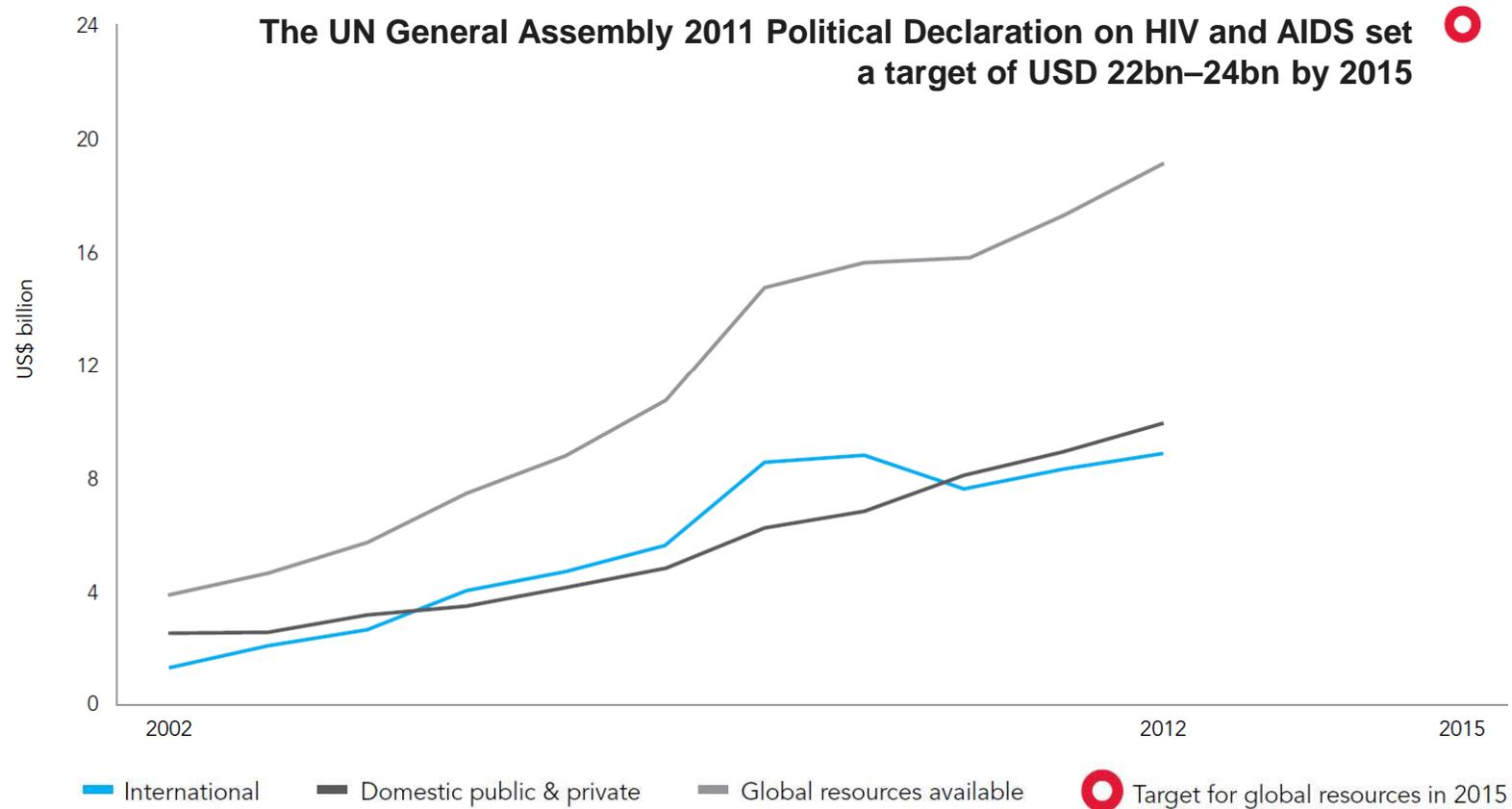
Opportunities: Emergent Powers

- BRICS, MIKTA (Mexico, Indonesia, Korea, Turkey and Australia) and shift from G8 to G20
- These countries are:
 - Emergent rather than just emerging; and
 - Powers rather than just economies
- Others are close behind

**What is role of emergent powers in/with Global Fund?
Co-investment (technical support/financial)? Governance?**

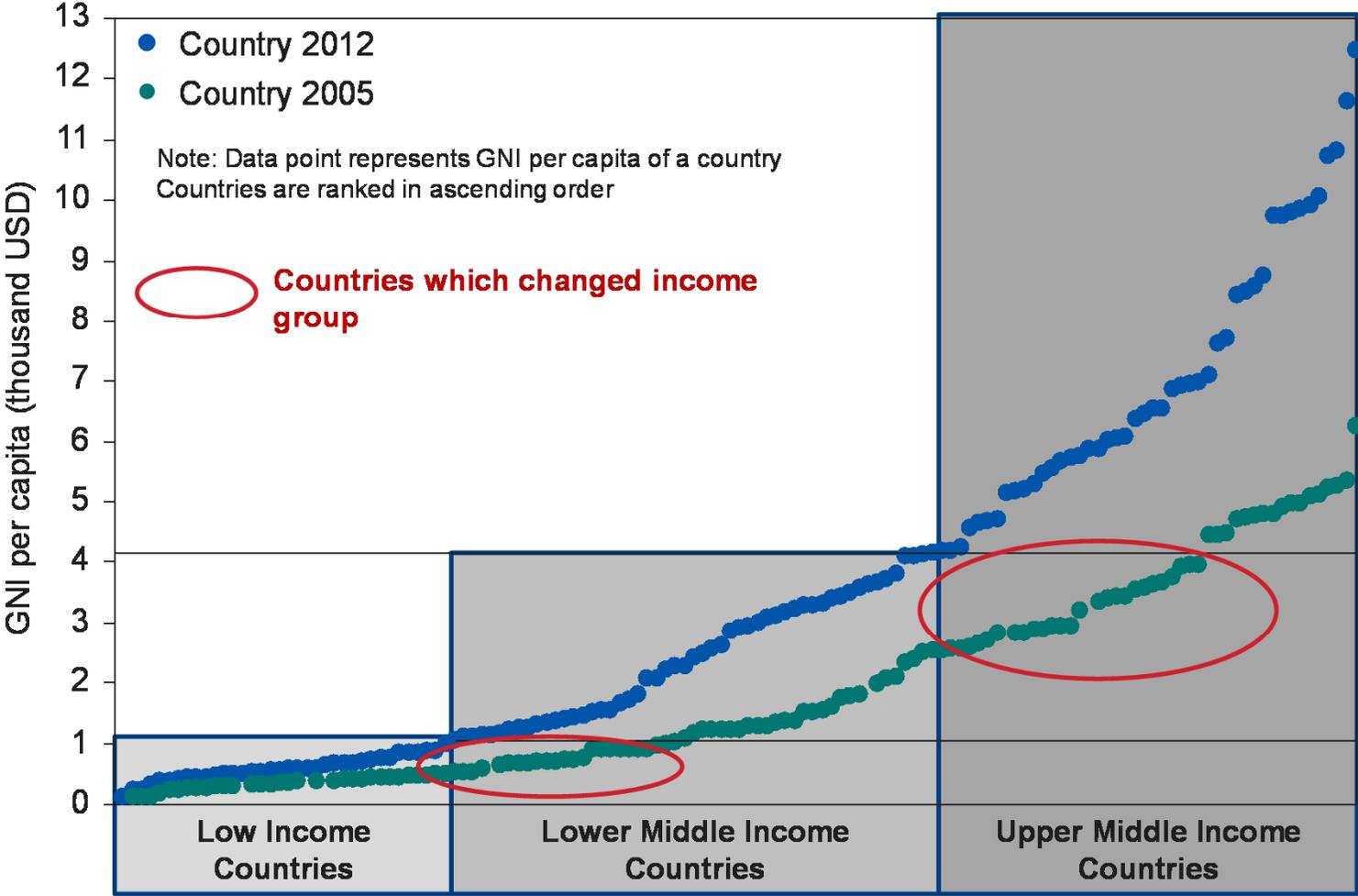
Opportunity: Resources for HIV in LICs and MICs

Resources available for HIV in low- and middle-income countries, 2002–2012 and 2015 target [USD bn]



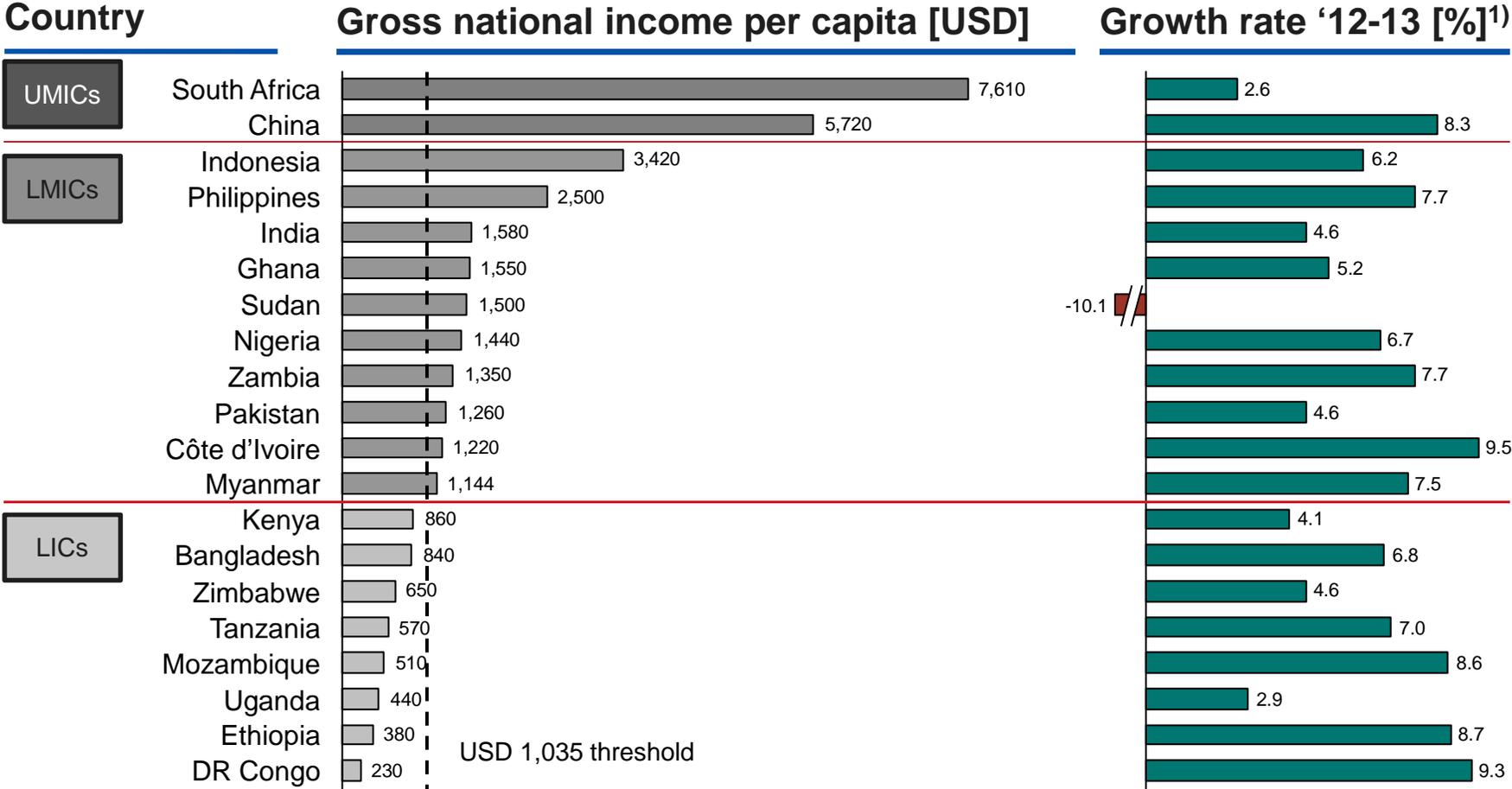
Source: UNAIDS estimates

Changing income distribution



Source: World Bank; Global Fund analysis

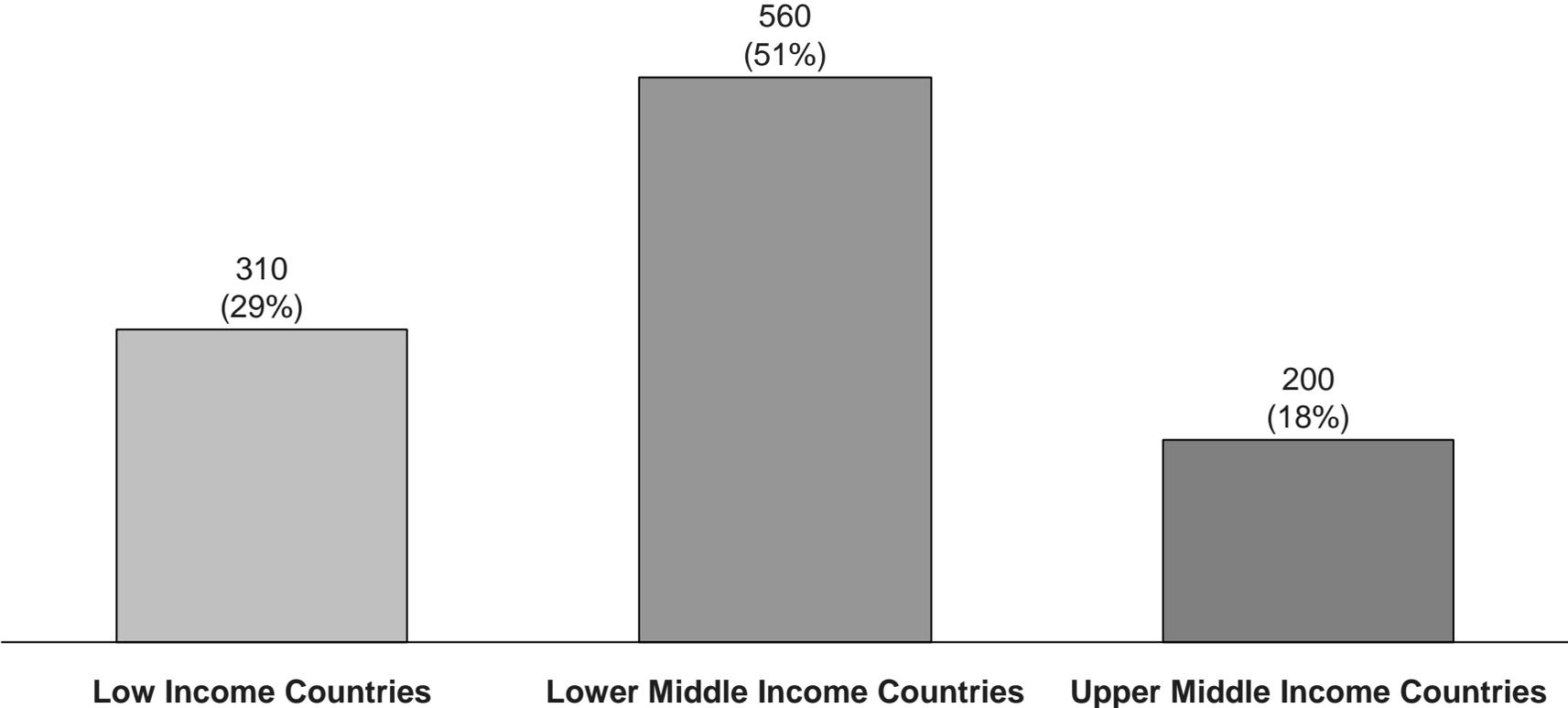
Opportunity: Economic growth in high impact countries



LIC: Low Income Country, LMIC: Lower Middle Income Country, UMIC: Upper Middle Income Country
 1) GNI growth except for Côte d'Ivoire, Myanmar, Nigeria and Sudan, where GDP growth was used.
 Source: World Bank 2012-13 data, Asian Development Bank for Myanmar growth rate

Challenge: ~ 70% of global poverty in MICs

Share of global poverty (people living with less than 1.25 USD/day [m people, % of total]¹⁾

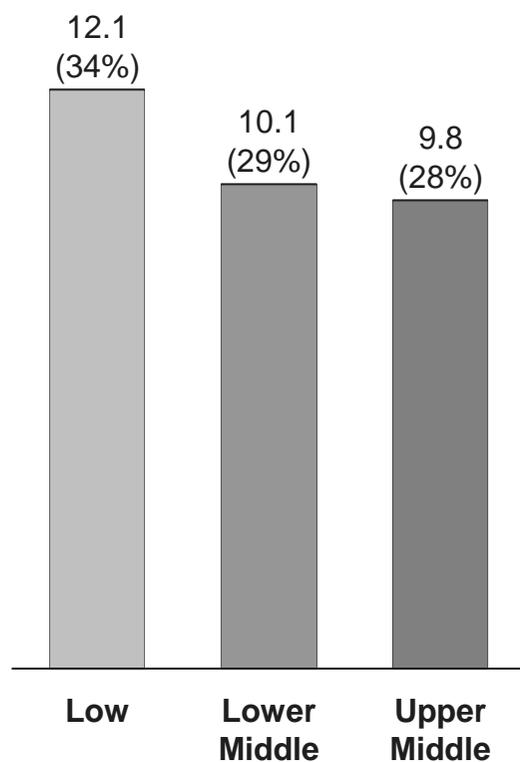


1) 1-2% of global population living below 1.25 USD/day estimated to live in high-income countries, excluded from diagram
Notes: World Bank data, Global Fund analysis – Results are indicative only and should not be used outside Global Fund bodies without prior consent.

Challenge: Majority of disease burden in MICs

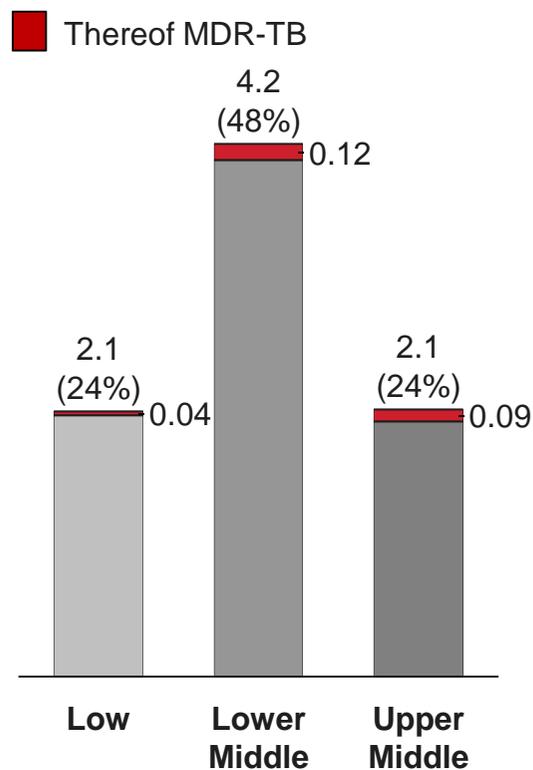
HIV

[m people, % of total¹⁾]



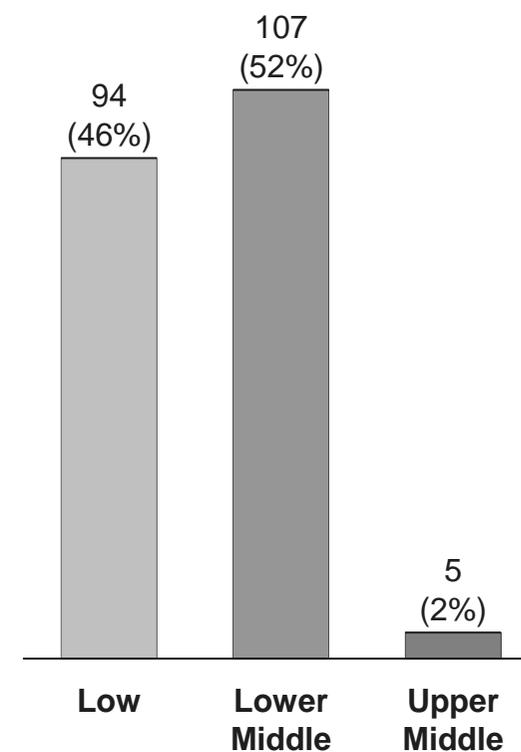
TB

[m cases, % of total]



Malaria

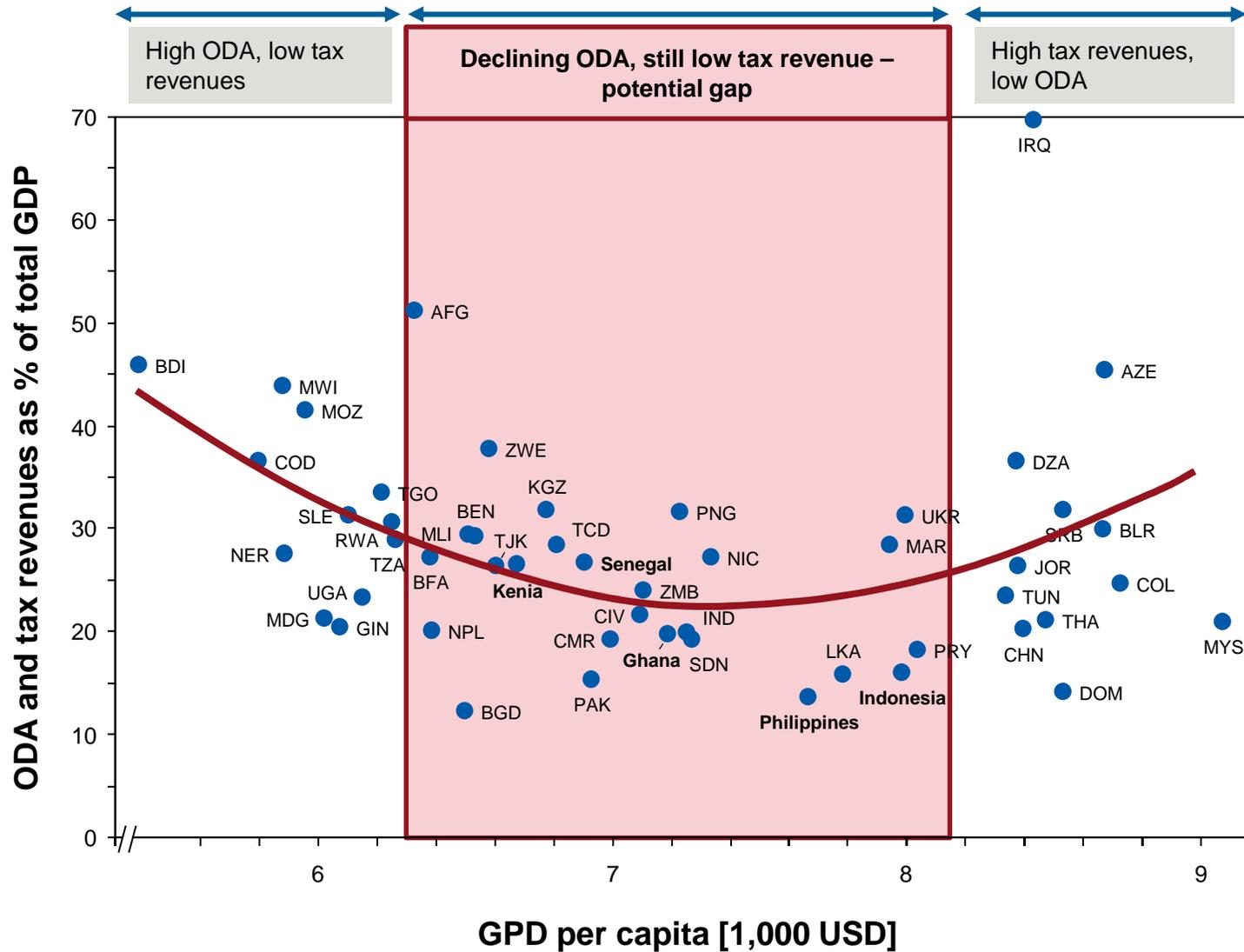
[m cases, % of total]



1) Total global HIV estimate: 35.3 m

Notes: UNAIDS data, WHO 2012 data, Global Fund analysis – Results are indicative only and should not be used outside Global Fund bodies without prior consent.

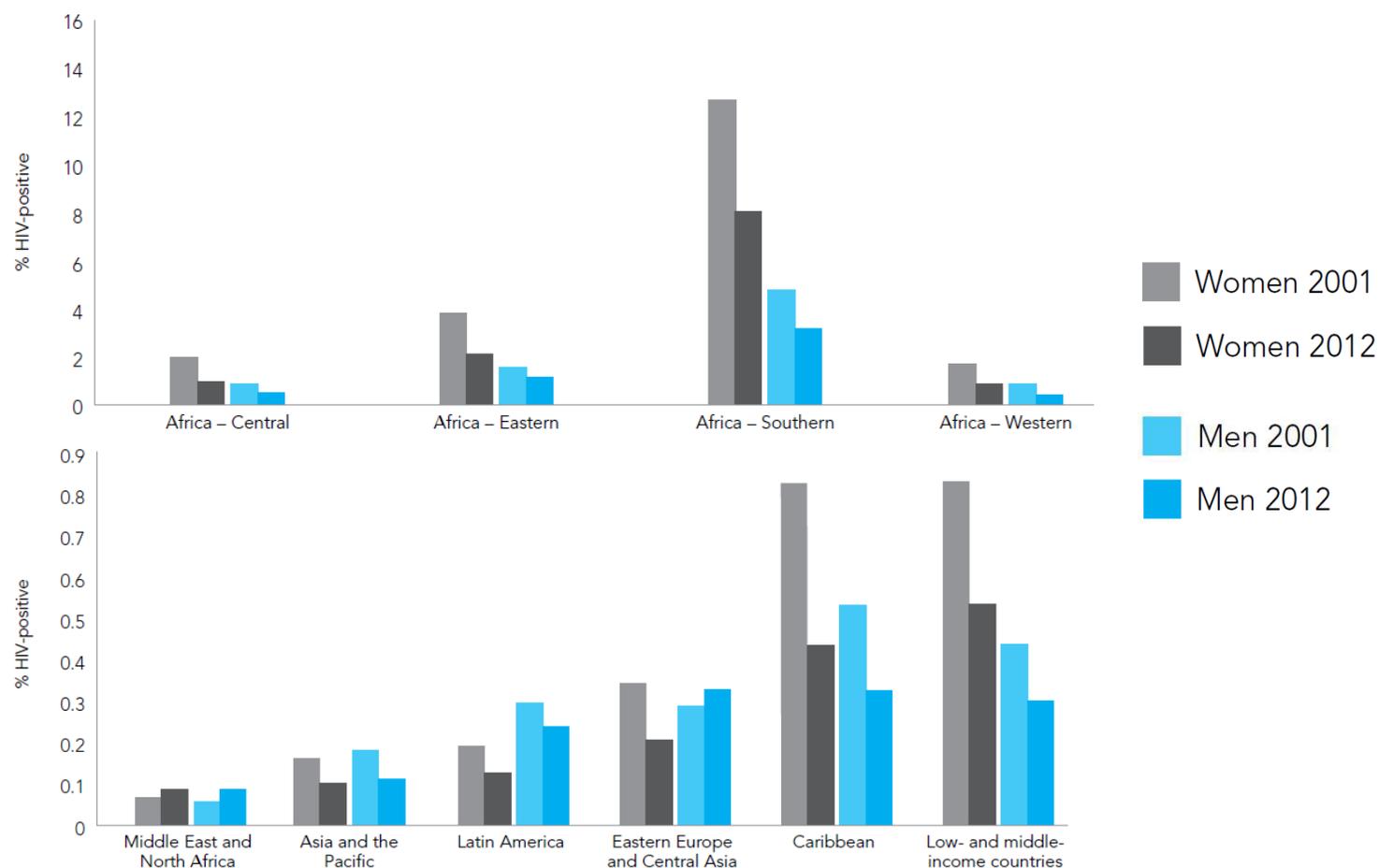
Potential sustainability gap



Source: ICTD 2010 (for tax revenues), WDI 2010 (for ODA); analysis by Brookings Institution

Prevalence of HIV among youth

Prevalence of HIV among young women and men (15–24 years), by region, 2001 and 2012 [%]



Source: UNAIDS 2012 estimates

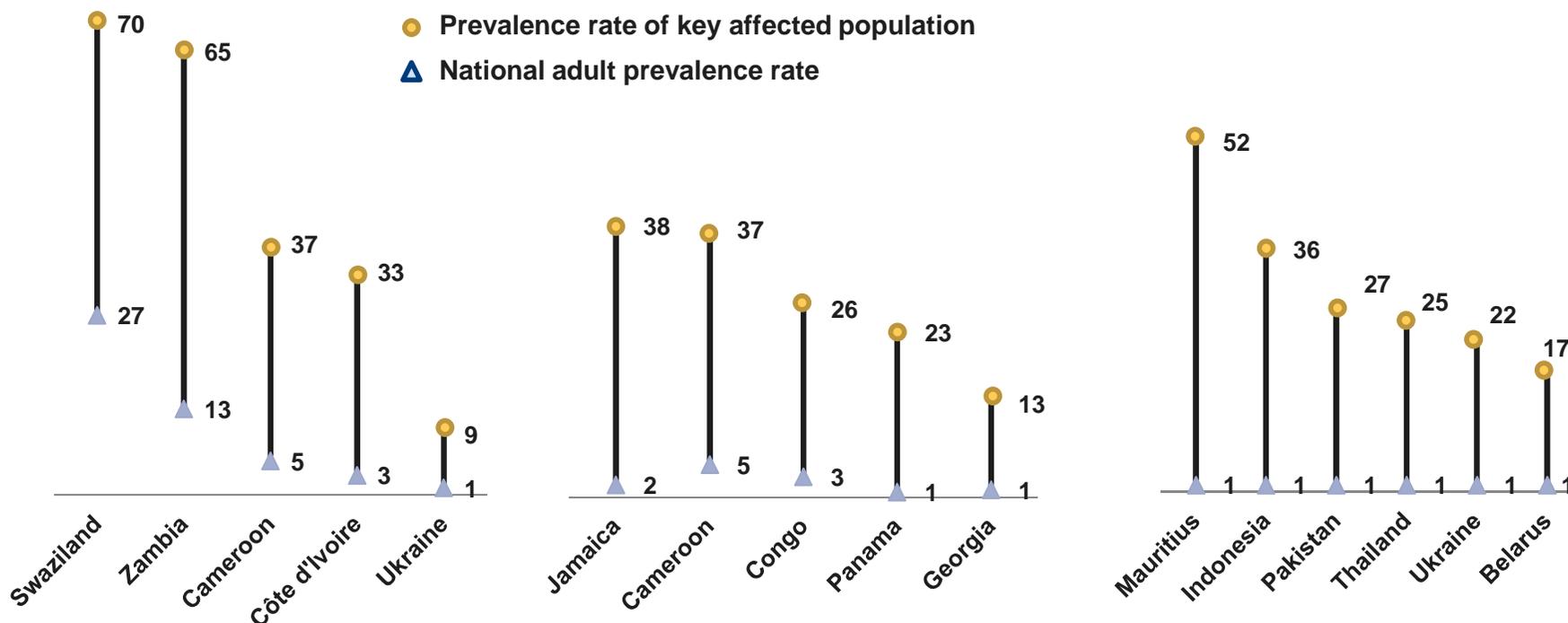
Challenge: Key affected populations in MICs

HIV prevalence rate for key affected populations vs. national adult population [%]

Female sex workers

Men who have sex with men

People who inject drugs



Most at risk populations face a prevalence rate multiple times above the national average (although data quality on population segments remains mediocre at times)

Source: UNAIDS data (2009-2012)

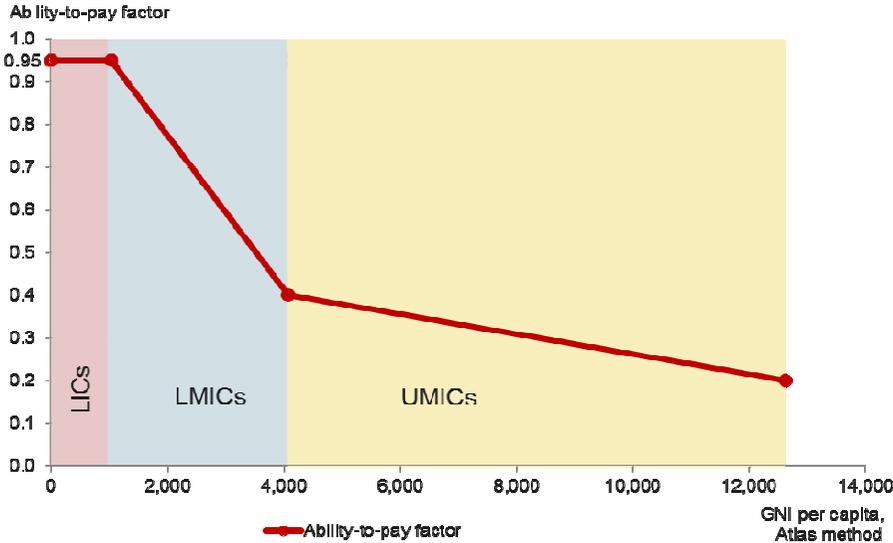
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Funding Model

Funding model now delivers a more differentiated approach to Global Fund investments

1 Differentiation by “ability-to-pay” (function of GNI per capita)

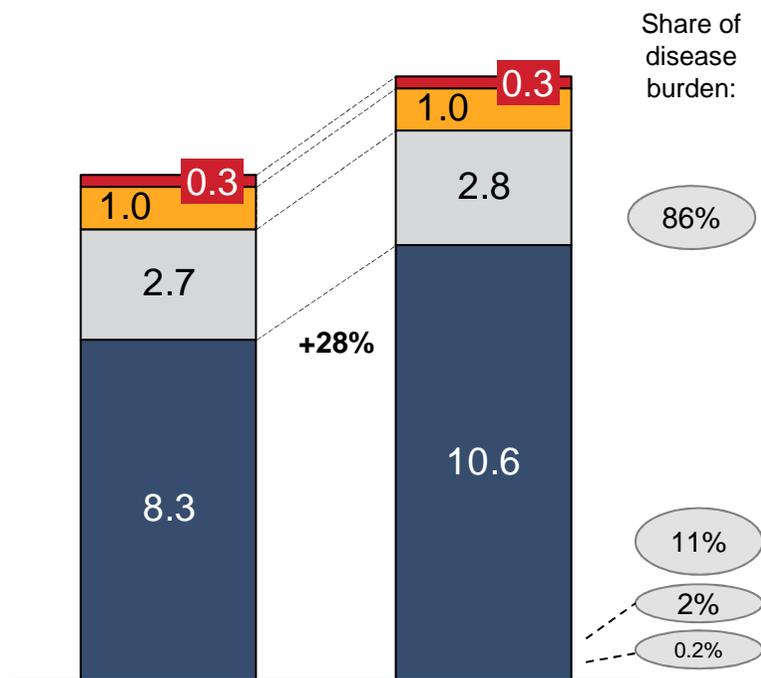


2 Differentiation by Band

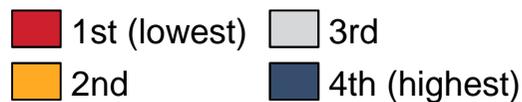
Band 1 Lower income Higher burden	Band 3 Higher income Higher burden
Band 2 Lower income Lower burden	Band 4 Higher income Lower burden

Allocation focus on high disease burden, low-income countries

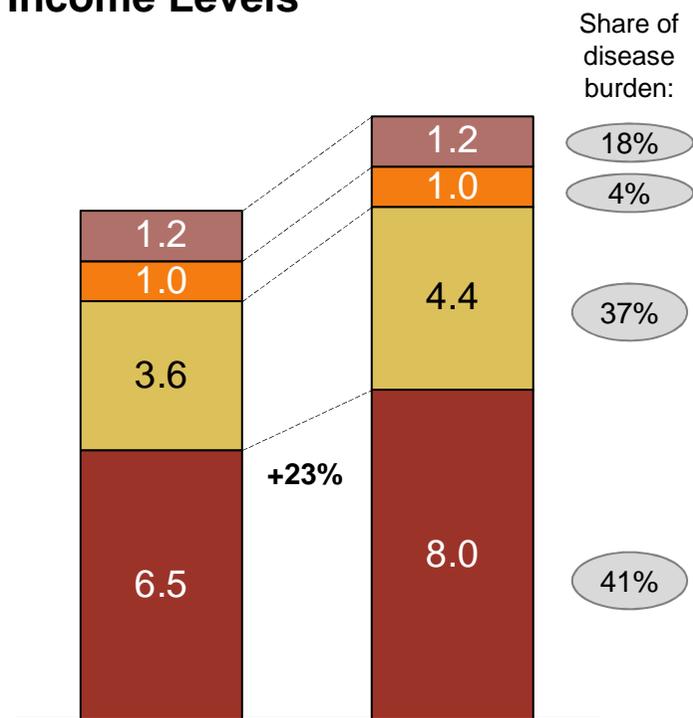
Disease burden quartiles



Recent funding Allocation



Income Levels



Recent funding Allocation



Note: "Recent funding" are 2010-2013 disbursements. Figures are limited to countries eligible for funding as of the 2014 eligibility list.

Global Fund context and recent developments

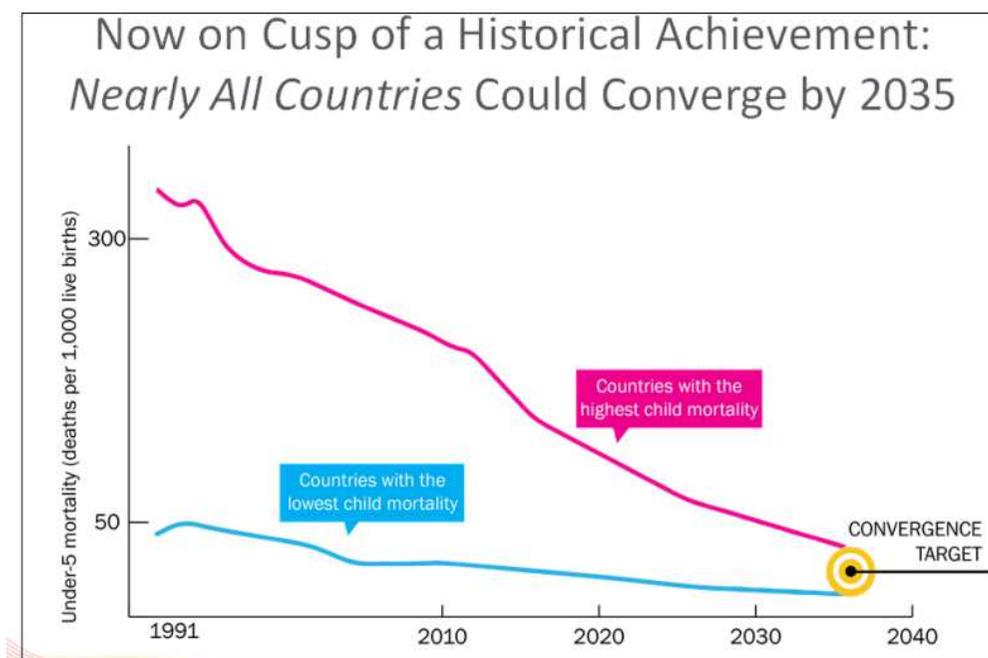
- GF has also adopted differentiated approaches in different country contexts including:
 - Approach to fragile states (TERG thematic review, CAR)
 - Catalytic role in MICs (e.g. focus on IDU in Eastern Europe, Transgender in LAC) – **including regional approaches**
 - Results-based financing approach in countries that are close to self-sustained response (e.g. Rwanda, EMMI)
 - Leveraging domestic financing for health

Equitable Access Initiative

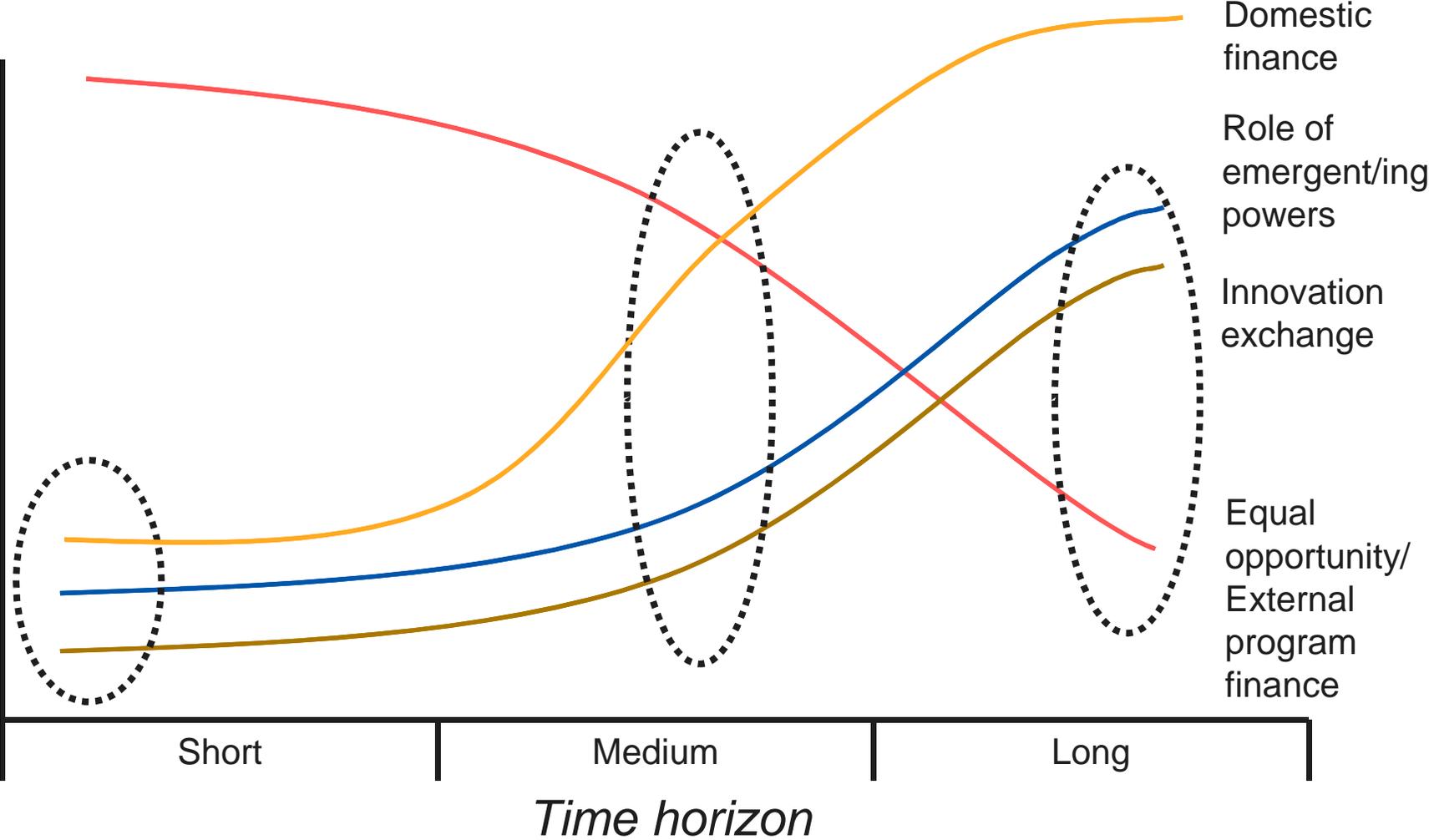
- Coefficients (at least for health) could help smooth transition for countries and impact GF investments and post-2016 Strategy
- Examples could include:
 - % people living in poverty;
 - % people with access to key health commodities;
 - coverage rates of key interventions for general **and** key populations
- New outcome-based GF indicators helpful
- **Conveners:** GAVI, Global Fund, UNDP, UNICEF, UNITAID, World Bank
High-level observer: WHO (tbc)
- Focus only on economic classification/transition (commodities/pricing separated)
- Process being developed

Convergence

- Global Health 2035 Report shows that:
 - Convergence in global health (infectious and child deaths reduced to universally low levels) if right investments made to scale-up health tools



Notional Direction



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Development Continuum Working Group

- **“Working Group on Engaging across the Development Continuum” to:**
 1. Establish shared set of key facts about the development continuum
 2. Assess implications for the Global Fund
 3. Provide recommendations to Secretariat and SIIC
- **Overall goals of convening Working Group (and sub-working groups) are to:**
 1. Assess ways to increase Global Fund’s impact on HIV/AIDS, TB and Malaria across the development continuum
 2. Prepare intellectual groundwork for post-2016 Global Fund Strategy

Changing country contexts and realities

- The health needs and epidemiology has changed and will continue to change during the coming 15 years
- LIC and MIC domestic economies are growing and the relative importance of ODA is declining
- Enhanced institutional and human resources capacity
- Changing roles for the civil society as well as for the private sector
- A new global political landscape

The Development Continuum

- **What is development?**
- **Ways of measuring development (BNI, HDI, HDI etc.)**
- **Critical aspects of development relating to health**
 - Improved health status throughout the lifecourse
 - Political will and implementation of pro-health policies
 - Adequate institutional and programmatic capacity
 - Ability to sufficient and fair financing
- **High risk environments and fragile states**
- **There is no simple way to classify countries**
 - The analysis to understand the critical aspects for development is essential
 - A journey which not always only goes forward

A Global Fund with a continuous strategic engagement responding to specific contexts and needs

- **Health needs and burden of disease**
- **Policy environment and political will**
- **Institutional capacity and level of risks**
- **Ability to pay** based on present and future projections
- **Relative role and financial size** of the Global Fund

Potential implications for how the Global Fund operates

- Maximizing health impacts by even more **evidenced bases investments and seeking synergies**
- **Strategic allocation of resources**
- **Differentiated technical partnerships** depending on the specific country context
- **Evolving potential Global Public Goods** functions and stimulating innovation
- More **tailor-made partnerships** and CCMs in line with country structures
- **Risk and control systems** adjusted according to risks – a differentiated LFA model

The Development Continuum

- **Significant changes in global political, social and economic environment since creation of Global Fund:**
 - Economic growth increases tax revenues, especially in middle-income countries, potential to scale up domestic resources to health but risk for a ditch.
 - Poverty concentrating in fragile states, but disease burdens vary by disease across income levels also within countries
 - Lack of MDG progress in some low-income countries and some fragile states
 - Increasing ODA becoming challenging as government's budgets tighten
 - Diversified Post-2015 development agenda now includes education, food security, and climate change and a broader health agenda
- **Partner countries in different stages of development require differentiated GFATM approaches to maximize health impact**

Key Questions and Sub-working Groups

Sustainability Part 1: Financing

How should the Global Fund contribute to increased sustainability of our investments and ultimately support countries as they transition from Global Fund support?

Sustainability Part 2: Non-financial dimensions

What tools does the Global Fund need to best support programmatic and institutional sustainability? Approaches to capacity building and continued management and policy support?

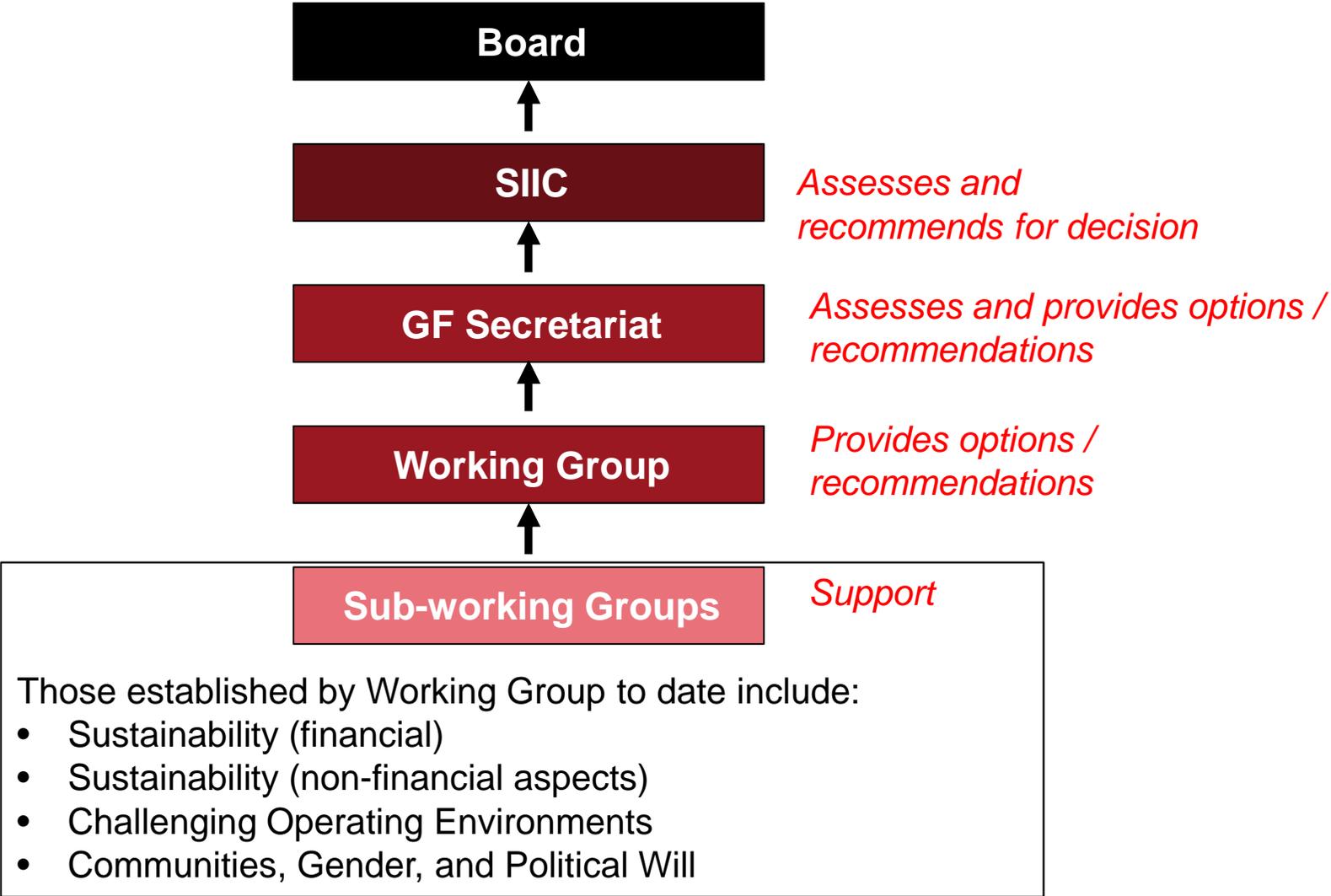
Challenging Operating Environments

What instruments, tools and strategies does the Global Fund need in challenging operating environments (high risks, conflict/post-conflicts etc.)?

Communities, Gender, and Political Will

How should the Global Fund support key populations left behind progress against HIV/AIDS, TB and malaria and engage countries where political will or financial support may be lacking?

Development Continuum Working Group structure



Thank you!



BACKUP

Objectives of the Strategy Retreat

1. Discuss the timelines, inputs and proposed Strategy process
2. Evaluate and discuss the changing global health and development landscape and implications for the Global Fund
3. Discuss and propose priorities and key ideas for further development in the 2017-2021 Strategy
4. Elucidate any concerns and potential problems for the Strategy and Strategy development process, and propose appropriate risk mitigation measures

Key questions for consideration

- What kind of Global Fund will we need in 15 years?
- How should the Global Fund evolve and adapt to the changing landscape?
- Considering the changing landscape and environment, how should the Global Fund adjust its ways of working in different country contexts to maximize health impact?
- What are the key actions and ideas that should be central to the Global Fund's 2017-2021 Strategy and operations?

Assignment for Working Groups

- Please appoint a rapporteur to moderate your discussion, and record and report on the findings
- Please discuss your priorities for the key actions and ideas that should be pursued in the Global Fund's 2017-2021 Strategy and operations
- Please discuss any concerns and potential problems for the Strategy and Strategy development process, and propose appropriate risk mitigation measures
- Please prepare the rapporteur to report on the working group discussions, key suggested priorities and actions for the 2017-2021 Strategy, and any identified risks to the full group

Strategy Framework 2012-2016: “Investing for impact” 1/2

Vision	A world free of the burden of HIV/AIDS, tuberculosis and malaria with better health for all		
Mission	To attract, manage and disburse additional resources to make a sustainable and significant contribution in the fight against AIDS, tuberculosis and malaria in countries in need, and contributing to poverty reduction as part of the MDGs		
Guiding principles	<ul style="list-style-type: none"> • Being a financing instrument • Additionality • Sustainability • Country ownership 	<ul style="list-style-type: none"> • Multi-sectoral engagement • Partnership • Integrated, balanced approach • Promoting human right to health 	<ul style="list-style-type: none"> • Performance-based funding • Good value for money • Effectiveness and efficiency • Transparency and accountability
Goals	<p align="center">10 million lives saved¹ over 2012-2016 140-180 million new infections prevented over 2012-2016</p>		
	Global plan	Global Fund leading targets for 2016	Indicators for other selected services
Targets² (2016)	HIV / AIDS	UNAIDS 2011-2015 Strategy, 2011 Investment Framework, and UNGASS June 2011 Declaration	<ul style="list-style-type: none"> • 7.3 million people alive on ARTs • PMTCT: ARV prophylaxis and/or treatment • HIV testing and counseling • Prevention services for MARPs • Male circumcision
	TB	Global Plan to Stop TB 2011-2015	<ul style="list-style-type: none"> • 4.6 million DOTS treatments (annual) • 21 million DOTS treatments over 2012-2016 • HIV co-infected TB patients enrolled on ARTs • MDR-TB treatments
	Malaria	RBM Global Malaria Action Plan 2008 and May 2011 updated goals and targets	<ul style="list-style-type: none"> • 90 million LLINs distributed (annual) • 390 million LLINs distributed over 2012-2016 • Houses sprayed with IRS • Diagnoses with RDTs • Courses of ACT administered to confirmed malaria cases

1. Based on impact of provision of ART, DOTS and LLINs using methodology agreed with partners. 2. Targets refer to service levels to be achieved in low- and middle-income countries. Note: Goals and targets are based on results from Global Fund-supported programs which may also be funded by other sources; targets are dependent on resource levels

Strategy Framework 2012-2016: “Investing for impact” 2/2

Strategic Objectives			
1. Invest more strategically		2. Evolve the funding model	3. Actively support grant implementation success
Strategic Actions	<p>1.1 Focus on the highest-impact countries, interventions and populations while keeping the Global Fund global</p> <p>1.2 Fund based on quality national strategies and through national systems</p> <p>1.3 Maximize the impact of Global Fund investments on strengthening health systems</p> <p>1.4 Maximize the impact of Global Fund investments on improving the health of mothers and children</p>	<p>2.1 Replace the rounds system with a more flexible and effective model</p> <ul style="list-style-type: none"> • Iterative, dialogue-based application • Early preparation of implementation • More flexible, predictable funding opportunities <p>2.2 Facilitate the strategic refocusing of existing investments</p>	<p>3.1 Actively manage grants based on impact, value for money and risk</p> <p>3.2 Enhance the quality and efficiency of grant implementation</p> <p>3.3 Make partnerships work to improve grant implementation</p>
	<p>4. Promote and protect human rights</p>	<p>4.1 Ensure that the Global Fund does not support programs that infringe human rights</p> <p>4.2 Increase investments in programs that address human rights-related barriers to access</p> <p>4.3 Integrate human rights considerations throughout the grant cycle</p>	<p>5. Sustain the gains, mobilize resources</p>
Strategic Enablers	Enhance partnerships to deliver results		
	Transform to improve Global Fund governance, operations and fiduciary controls		