GFAN Call with Mark Dybul, Executive Director of the Global Fund
January 6, 2015 - Notes

“The Changing Landscape and Implications for the Global Fund”

*Below are supplemental notes to the slide presentation; please refer to the presentation document for a fuller overview of the call’s content*

- (Slide 5) If we continue at the funding level we are today then, over time, we will not only see a decline in infection rates but they will actually increase.
- If we focus on where new infections are occurring, informed by epidemiological research and reaching those most at risk of diseases like HIV, we can see a dramatic decline in new infections. However, for TB there’s only been an average incidence decrease of 1.5% per year and there’s only a 20% funding gap; if HIV had these numbers, we wouldn’t accept such a small decrease in infections – implementation needs to be reexamined.
- There’s an historic opportunity to decrease infection rates, but we need to address fundamental issues of human rights; this is more clear and present to us in new data.
- (Slide 6) Now there are emergent powers - new social-political-economic powers. They want a partnership model where they’re in the driver’s seat. And they’re stepping up now in their financing. For example, it’s estimated that in 2014 $6.3 billion was dedicated to TB; $5.3 billion of this comes from the countries affected.
- (Slides 8-10) Many countries’ WHO classifications are changing; several countries where the GF invests have a high annual growth rate of 7-9%. However, around 70% of global poverty is in middle-income countries (MICs); it’s estimated that in the future only 5-7% of people living in poverty will be in low-income countries.
- (Slides 11-12) What happens to MICs as they move into this category is that it takes them a while to gather resources, such as through taxes, needed to catch up as external
resources dry up. This is important new data that demonstrate why we cannot simply move out of countries once they have graduated according to income classifications (GNI).

- (Slide 17) The GF is covering a much higher number of countries compared to other multilateral funders such as the World Bank (IDA) and doesn’t get out of countries based on income alone; lower-middle income countries have maintained a stable % of funding.

- Although the GF will change its funding relations with countries with an increasing GNI, the current funding levels will not decrease more than 20% in any of the countries in the coming 3 years.

- (Slide 18) The GF is also aiming to be in countries in crisis, ex. Syria. They’re assisting in policy change so people aren’t left behind.

- (Slide 19) The Equitable Access Initiative wants to review if the current income classifications are useful for the GF as a global health institution. Should there instead be a composite index that addresses not just income?

  - The initiative will be chaired by Pascal Lamy, former head of World Trade Organization and Donald Kaberuka, President of the African Development Bank, will be vice-chair.

  - End of February is first meeting; they will charge high-powered economic groups to come back with new frameworks. Then the panel will select a framework to review. New classification suggestions will then need to go back to governing bodies.

- (Slide 20) By 2040 there could be a convergence of health – with economic growth used for investments for equitable opportunity in development, we could see low-income countries have the same health and life expectancy as those in high-income countries. HIV, TB and malaria in low-income countries would have a huge impact given their role in morbidity and mortality rates.

- (Slide 21) The notional direction – this is not what will happen in each country, but is how the world can look. The GF is currently on the far left side. The role of the GF could change as the world changes, where the circle shifts over time – the GF could engage in innovation, etc.
• (Slide 23) The GF is currently also managing a Development Continuum Working Group, working on the post-2015 strategy to answer how does the GF stay in countries over time? The Equitable Access Initiative work will feed into this.

• (Slides 25-29) The GF is concerned as to how civil society stay engaged. How do we build advocacy so as countries finance more of their own health budgets, they can still continue with strong internal advocacy (ex. South Africa)?

• What capacity has been built in countries? How does the GF support moving from a challenging operating environment to self-sufficiency? What’s available to countries when they transition? How does the GF stay in and continue to support countries as they transition over time?

Q&A section

What does this mean for advocacy work in the context of the new Replenishment at the country level?

• Main message is that the GF's role in countries is gaining in importance, not decreasing, because the types of changes we’re talking about and the engagement needed to work towards ending the epidemics can only occur through multilateral organizations. Because of the flow of resources, the GF must stay engaged and evolve along with countries. These countries are important in the changing world. There’s a shift away from paternalism and a focus to where countries are central – this is what the GF was designed to do. Civil society is going to make that change possible and determine if the GF has the resources to stay involved and if countries step up to their own finance responsibilities and use it for equitable growth, not leaving people behind. GFAN helps raise funds in the short-term, but it’s also important in the long-term to get countries to dedicate their own resources and make it equitable. This is very important – this is the difference between a world that is growing in an equitable way and one that isn’t.

Concerning slide 17, does this hide the fact that there’s less funding provided to more MICs? And how is the GF responding to the increasing TB epidemic in MICs?
Countries have made a greater shift within 7 years ago compared to just 3 years ago. There's been misinformation about MICs; many have no decrease and some have at most 20-25% decrease in funding. There obviously won't be continued levels of support of MICs, but the GF doesn't have to drop the country the moment they get into the MIC bracket. GAVI has a 5 year exit with a 20-25% per year decline in funding. The GF wants a more gradual shift that allows them to focus on the marginalized and vulnerable. But there's no country, other than those that moved to the high-income bracket, which has a dramatic decline. Within 7 years you would see a shift but within 3 years you don't see much. The GF is trying for a more sophisticated approach to this shift.

The majority of TB is in MICs. Most people who give the GF money are exiting places like India where TB is high; but the pressure to get out of these countries is pretty high. For TB in MICs it's a different type of investment. There's a 1.5% decline per year in TB, but estimates from TB community is that we have a $1 billion gap; we need $3.7-$8 billion. With a 20% increase in financing, how can we see a greater decline? We need to invest in a better way and show better results. External financing will however be lower than domestic financing due to where TB is.

For the Equitable Access Initiative, what will be role for civil society?

The panel will include a range of actors in a multi-sectoral way and they've asked each convener to provide recommendations for NGOs who will can on the panel and there will be multiple consultations throughout the process that will allow input as models are done. The panel will meet in February, set out the ToR and have a consultation on the modelling and have a last consultation before it goes to the governing bodies.

The GF has a strong focus on leveraging domestic financing in health; is innovative financing a part of this and could we expect the Financial Transaction Tax recognized as part of the strategy?

There are multiple levels of innovative financing. The development continuum WG, during early conversations, has shown that they have a lot of innovative work; ie.
Senegal bonds and taxation schemes and public-private initiatives. The GF has been working on private-sector trust funds with Gates; Gates matches funds in India, Kenya, Vietnam, etc. In country high net-worth individuals are making a change by putting pressure on countries for domestic financing. The GF would press to get countries to use money better through public-sector trust funds, etc. For donors, the GF doesn’t push them one way or the other in terms of how they finance; they’re supportive of the FTT and if countries decide to use some for health, but it’s just important that countries finance in the end. Sustainable financing in whatever form is part of the current and new strategies; donors drive where the money comes from.