



Investing in our future

The Global Fund

To Fight AIDS, Tuberculosis and Malaria

The Third Global Fund Replenishment (2011-2013) Preparatory Meeting

The Hague, 24-25 March 2010

Chair's Summary

1. The preparatory meeting on the Third Replenishment of the Global Fund to Fight AIDS, Tuberculosis, and Malaria (the Global Fund) took place, at the invitation of the Government of the Netherlands, in The Hague on 24-25 March 2010. Ms. Yoka Brandt, Director General for International Cooperation, welcomed the participants and opened the meeting. Thirty-eight delegations participated in the meeting.
2. Mr. Ban Ki-moon, United Nations Secretary-General and Chair of the Third replenishment, Dr. Tedros Adhanom Ghebreyesus, Chair of the Board and Minister of Health for Ethiopia and Professor Michel Kazatchkine, Executive Director of the Global Fund, made introductory statements. Mr. Richard Manning, Vice Chair of the Third Replenishment, chaired the meeting. He noted that Mr. Ban would chair the Final Replenishment Conference scheduled to take place at the UN Headquarters in New York on 4-5 October, following the Millennium Development Goals Summit.
3. The Global Fund Secretariat presented the "Global Fund Results Report 2010: Innovation and Impact" to the meeting. The report provides an in-depth analysis of results and progress made under Global Fund supported programs to date. Participants commended the Global Fund for the report, noting that it demonstrates the transformational impact of the Fund on the health situation in many countries as a result of the Global Fund partnership. Participants highlighted the value of these results in making the case for increased funding and urged the Global Fund partnership to disseminate them widely.

4. Participants welcomed the breadth of information and the quality of data provided. They encouraged, in particular, moving beyond output indicators toward outcome and impact measures and encouraged the Secretariat to work towards capturing this type of data even more systematically in future reports. They also encouraged the Secretariat to continue its work toward developing more effective means of measuring the impact of prevention programs and of health systems strengthening (HSS).
5. Participants stressed the need to ensure the sustainability of the Fund's programs, with a view, ultimately, to enable countries to graduate from Global Fund support. Important issues in this connection include: genuine country ownership, underpinned by capacity development; alignment with country priorities; harmonization with all bilateral and multilateral development partners, exploiting all possible synergies at the country level; the empowerment of communities; and enhanced domestic financial commitments (see below).
6. Participants highlighted that the Global Fund Replenishment had to be seen in the context of 2010 as a critical year for global public health and development more generally. They emphasized the Global Fund's vital role in international efforts to achieve the Millennium Development Goals (MDGs). They underlined that progress made by the Global Fund in combating AIDS, Tuberculosis and Malaria (MDG 6) has been impressive, but that the gains made remain fragile. Effective leadership and advocacy of the Global Fund will therefore be essential in the lead up to and at the G-8 and G-20 meetings in June, the MDG Summit in September and the Global Fund Replenishment in October. The advocacy of implementing countries would be of particular significance in this respect.

7. Participants recognized the importance of strengthening health systems, in particular for the sustainability of the Global Funds' work on the three diseases. They welcomed the joint work on this issue between the Global Fund, GAVI and the World Bank, facilitated by WHO, which is relevant to all donors. They looked forward to the joint session with GAVI on HSS.
8. The Global Fund's Secretariat presented its work in support of maternal and child health, in line with MDGs 4 and 5. Participants agreed that these are areas in which the wider international community has fallen short of MDG targets. They underlined the role of AIDS, tuberculosis and malaria in the current high levels of maternal and child mortality and the close link between MDGs 4, 5 and 6, which need to be seen as an integrated package of global health goals.
9. Against this background, participants recognized that while Global Fund-supported programs are contributing primarily to MDG 6 (combating HIV-AIDS, Malaria, TB and other diseases), the Fund is also making a significant contribution towards other MDGs, including MDGs 4 and 5. Participants agreed that it will be important for this to be given greater visibility in the lead up to the MDG Summit in September 2010.
10. Participants highlighted that the Global Fund could contribute further to maternal and child health based on its existing mandate and in close cooperation with key bilateral and multilateral partners. The Global Fund's work on strengthening health systems was identified as critical way in which the Global Fund could make a continued contribution in this regard. They welcomed a discussion on the Global Fund's role in MDGs 4 and 5 at the Board's forthcoming meeting in April.
11. Participants discussed the longer-term financial costs and health impacts of Global Fund-supported programs. They noted the future obligations arising from these programs and the impact that continued scale up of

programs would have on these obligations, as well as the impact of delaying program scale up. Projections on covering future recurrent costs related to the cohort of adults and children benefiting from grants approved up to and including Round 9, show only a slight decline over time until 2020. A similar pattern might be expected for future cohorts. However the outlook is dependent on the assumptions underlying these financing projections which included fixed unit costs for drugs, bed nets and support interventions for orphans and vulnerable children, as well as a fixed Global Fund share of overall national program costs.

12. Participants also took note of a new study of the costs and benefits of ART, which showed that on the central assumptions made, the interventions are economically sound. Participants encouraged further work on this issue, in cooperation with other interested parties. They stressed that such studies need also to take into account the significant economic costs of not providing treatment.
13. The Global Fund Secretariat provided the meeting with a briefing on trends in development assistance and domestic financing for health in implementing countries. Participants stressed the importance of all countries providing adequate domestic financing for health, while recognizing that external assistance will be needed for some time in low income countries, and not least in fragile states, if basic standards of service delivery are to be achieved.
14. Recognizing the efforts of middle income countries (MICs), participants highlighted the importance of their strong financial contributions to Global Fund programs. They recognized the catalytic value of the Global Fund's work in MICs, particularly in galvanizing domestic support and targeting particularly vulnerable communities. They emphasized that a reaffirmation of middle and low income countries' commitment to domestic funding would be an important element in a successful

- Replenishment. Participants welcomed Secretariat plans to examine ways of improving tracking of domestic funding flows.
15. Significant funding provided through the innovative financing schemes and private sector and non-government contributions was welcomed by participants. They commended the efforts of the Global Fund's key private sector partners and underlined the value of the Global Fund's work to increase revenues from these sources. Some delegations urged exploring additional opportunities, including through a financial transactions tax.
 16. The Global Fund Secretariat presented the report "Resource Scenarios 2011-2013" to the meeting, that focused on three scenarios of US\$ 13 billion, US\$ 17 billion and US\$ 20 billion over three years, and responded to several questions of clarification. Participants noted that some \$8.2 billion would be required in commitment authority during 2011-2013 in order to go ahead with anticipated second-phase commitments, remaining commitments under the Rolling Continuation Channel and restoration of part of the cuts imposed on approved Round 9 requests. They requested the Secretariat to present a technical paper in time for the April Board meeting on how the use of instruments of commitment and promissory notes can provide commitment authority to the Global Fund. Participants also - without at this stage taking any collective positions on the substance of the issue - encouraged the Board to review the comprehensive funding policy.
 17. Participants noted also that the alternative scenarios were associated with a wide range of service delivery results by 2015 (including a range of 4.4 to 7.5 million people on ARV therapy; 3.6 to 6.8 million on DOTS; 110 to 190 million long-lasting insecticide-treated bed-nets; and 610,000 to 1.1 million HIV-positive women receiving PMTCT interventions annually), and a correspondingly wide range of health outcomes. The conclusions of the Replenishment would therefore be highly significant

for the life-chances of people affected by the three diseases, and for achieving the health-related MDGs by 2015. The percentage coverage of the affected population would be lower than indicated in the Secretariat paper if the effect of recent WHO guidelines on ART, which would result in further reductions in mortality and morbidity, were adopted by countries. They also noted the considerable cost implications of the spread of multi-drug resistant TB. Participants invited the Secretariat to clarify the implications of WHO guidelines on the three diseases and on related resource needs. They suggested that additional information should be provided on the likely impact of each scenario on maternal and child mortality and the three diseases and on health systems strengthening.

18. Participants acknowledged that a continued scaling-up of Global Fund programs would be required in order to meet the Health related MDGs by 2015 and that even the scenarios presented would not be sufficient to address undeniable need. They noted the possibility of virtually eliminating mother to child transmission of HIV, and of ending deaths from malaria by 2015, provided sufficient funds and political commitment were in place. Participants agreed that the results reported to date, reforms implemented and planned, as well as the expected achievements outlined in the paper presented a compelling case for increased funding. Participants recognized that even the lowest scenario involved a significant increase in contributions at a time when budgets were under pressure. The meeting highlighted the need to widen the donor base, and in particular to see increased contributions from emerging economies.

19. The participants welcomed the follow-up work being undertaken in response to the findings of the five-year evaluation. They urged the Secretariat to accelerate the implementation of agreed reforms, including the new grant architecture and national strategy applications.

Rapid progress will be an important factor as donors consider their future contributions to the Global Fund. The importance of forthcoming Board processes on eligibility and prioritization was emphasized as well as the continued work on the Global Fund's accountability framework and, together with partners' efforts, on more effective delivery of technical assistance.

20. Several participants noted that the current challenging international economic environment underscored the need for the Global Fund to continue its focus on value for money in the Secretariat and in program implementation, based on enhanced analysis of unit costs. They emphasized the need for the rapid and flexible implementation of programs, including the timely reprogramming of funds from non-performing grants. They also urged the Secretariat to continue to improve the cost effectiveness of interventions and to seek efficiencies wherever possible.
21. Participants also welcomed the Global Fund's work to ensure systematic inclusion on gender and SOGI components into funded grants and urged more rapid implementation of the respective strategies, including the enhanced integration of sexual and reproductive health in programs supported by the Global Fund. The importance of identifying and addressing key drivers of the diseases was highlighted, including among marginalized communities, in order to effectively target prevention programs.
22. Participants agreed to meet again in New York from 4 to 5 October 2010, when formal pledges to the Replenishment would be expected. Donors stressed the need for strong support for the replenishment during the next six months, and the important role of supportive messages from country recipients, civil society, partners and beneficiaries. Participants committed to support the Secretariat throughout this process.

23. Participants thanked the Government of the Netherlands for its excellent hosting of the meeting.