

Mid-Term Review of the Third Voluntary Replenishment (2011-2013)

Chair's Summary

1. The mid-term review of the Third Replenishment of the Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund) took place in Geneva, Switzerland, on 15 – 16 November 2012. His Excellency Ambassador Alexandre Fasel, Switzerland's Permanent Representative to the United Nations and other International Organisations in Geneva, welcomed the 39 participating delegations and opened the meeting by expressing Switzerland's strong commitment to global health and the Global Fund in its role as host country.

2. Mr Simon Bland, Chair of the Board of the Global Fund, welcomed the participants on behalf of the Board emphasizing the achievements which the Global Fund had attained since the Pledging Conference in New York in October 2010, both in terms of the fight against the three diseases and in terms of the far-reaching programme of reforms presently being enacted. The Vice Chair of the Board, and former Health Minister of Lesotho, Dr Mphu Ramatlapeng highlighted the positive impact of the Global Fund at country level based on her own personal experience. Mr Richard Manning chaired the meeting. In his opening remarks Mr Manning emphasised the collective responsibility of all parties present at the meeting to ensure a successful replenishment and noted that the landmark decisions of the Board meeting earlier in the week – in particular the adoption of the new funding model and the appointment of the new ED – laid strong foundations for the task of replenishment to come.

Achievements and Results since the Third Replenishment

3. In the first working session of the Meeting, Mr Gabriel Jaramillo, General Manager of the Global Fund, described the significant progress made on the reform of the Global Fund following the recommendations of the High level Panel from September 2011. Mr Jaramillo highlighted the fact that the programme of reform approved by the Global Fund Board at its 26th Board Meeting in Accra is now 73% completed and that remaining actions will be completed within the next few months. The package of reforms has covered three main areas: the restructuring of the Secretariat; the development of the new funding model to allocate future resources; and the revision of processes and procedures to manage risk more effectively at the same time as providing an enhanced service to implementing countries. Participants congratulated Mr Jaramillo for his leadership in the reform of the Global Fund and commended the Secretariat for the results achieved. The key challenge, many agreed, was to ensure the sustainability of such reforms and that the impact of the reform programme could be measured effectively, especially at country level where it was only just starting to become visible.

4. Deputy General Manager Debrework Zewdie introduced a presentation on the Global Fund's Results Report 2012, "Strategic Investments for Impact". She emphasised that implementation of the more strategic approach to investment had already begun, inter alia, during the Performance Review process. Results since the last pledging conference in 2010 included a 20% scale-up in people receiving ARVs, a 50% increase in HIV positive women receiving ARV prophylaxis against PMTCT, a 119% increase in TB HIV services and a 73% increase in the number on insecticide treated nets distributed. Participants welcomed the performance of implementing countries, the Global Fund itself and its Technical Partners, as reflected in this report and welcomed the growing evidence of impact on the three diseases and the resulting reductions in morbidity and mortality. Comments from the floor addressed the importance of health systems strengthening as a way to spread the benefit of investments and to ensure that health ministries were better placed to argue for increased resources.

Technical Partners noted in particular the strong results in this area, citing the example of Ethiopia. One participant spoke from her personal experience of the importance of enhanced results on HIV TB and the importance of donor support to ensure that more people are able to access treatment. Participants likewise welcomed the move towards efficiency and effectiveness which the results underlined but emphasised that for the purposes of replenishment it would also be necessary to show clear progress against the MDGs and progress towards sustainability via domestic co-financing. The Chair noted that the results show that transformation was happening not only at the Secretariat but also in-country and it appeared that impact was being enhanced as a result of scaling up, an intelligent dialogue between the Global Fund and implementers as well as strong partnerships.

5. A further presentation was made addressing the development of Impact Evaluation in the Global Fund which seeks to recast evaluation according to measurement of health outcomes and not according to inputs. Evaluation plans are now in place for all priority countries and agreed with Technical Partners which should greatly enhance implementers' ability to measure rather than just model lives saved. Progress in this area had been good but there was still much to learn. Participants welcomed the approach and work plan and once again underlined that clear proof of impact would be helpful in mobilizing further donor resources.

6. It was noted that impact evaluation had great potential value both for implementers and for the grant review process in terms of being able to see what was working and what was not. In addition, they could provide an evidence base for donors on the impact of the Global Fund at country level. Participants encouraged the Global Fund to provide the results of this work in a timely manner.

Strengthening the Global Fund Replenishment Model

7. Participants were consulted on a number of changes presently under draft for the model by which the Global Fund conducts its resource mobilisation. Despite the success to date of the Global Fund in resource mobilisation, the financial crisis of recent years, and donors' accompanying fiscal austerity measures, not to mention the recent "crisis of confidence" in the institution, had heightened levels of uncertainty. This required a re-evaluation of the current replenishment structure.

8. Based on an external review, the Secretariat outlined proposals that would allow the Fund to weather more easily the present constrained financial circumstances and support the new funding model. Participants noted the Board's original intention [GF/B7/10] to adopt entry into force rules for replenishments and the role of written instruments of contribution in that regard. This decision was never fully implemented leaving the Global Fund with no agreed rules governing the conversion of pledges to contributions and lower predictability of funding than peer organizations. Measures proposed to address this situation included formal Board approval of the replenishment outcomes including the volume of pledges, and more swift transformation from verbal pledges to written instruments. Donors were encouraged to adopt multi-year contribution agreements essentially according to a standard template the inclusion of payment schedules within contribution agreements and to reduce the use of individual conditions.

9. On behalf of the Global Fund's Finance and Operational Performance Sub-Committee, the Vice Chair of the Committee noted that the matter had been brought to their attention previously and that the Committee had recognised the need to examine this matter in more detail. The Committee would be discussing the mechanism in early December. The Trustee noted that an enhanced process for managing payments would be very useful and that written agreements would be an essential next step whilst firm payment schedules would allow for hedging of funds against currency fluctuations. Firmer arrangements would also give donors confidence that other donors would honour their pledges. Participants also noted that increased predictability was not only desirable for good financial administration but also a prerequisite for health planning in implementing countries. The Chair noted that it was not possible to give enhanced predictability to implementers without either greater predictability of income or increased reserves.

Approach to Demand Forecasting

10. Participants noted that the 2014-2016 replenishment period would be critical to sustain gains, and to make a final push towards the 2015 MDG deadline. The Secretariat reported that work was underway between the Global Fund and Technical Partners to prepare a robust estimate of actionable demand ahead of the First Meeting of the Fourth Replenishment to be held in March 2013. Updated demand estimates are also timely for the Global Fund as an input to new funding model processes and to inform resourcing considerations for implementation of the Global Fund Strategy 2012-2016. Participants urged the Secretariat to work together with Technical Partners and other interested parties in taking the work forward and noted the very short time frame ahead of the first replenishment meeting in 2013.

11. The scope of the exercise covers programmes for the three diseases and related health and community systems. Similar principles will be deployed across all three diseases to produce ambitious but realistic target assumptions with projected domestic and external financing factored in, drawing on country level data to cover the full replenishment period. Work had been started and a process agreed with partners to ensure that estimates will be available by March 2013.

12. Participants agreed that there was some urgency to bring together a collective effort – including information from donors – in support of this exercise. The report should aim to provide a quantification of the state of the fight against the three diseases.

Long term funding and the Fourth Replenishment, 2014 and beyond

13. Delegates heard from the Global Fund's Director of Resource Mobilisation, Dr Christoph Benn on planning for the process leading up to the Pledging Conference in the autumn of 2013. The Fourth Replenishment would be critical for the mission of the Global Fund, both to raise resources for the 2012-16 Strategy and to validate the recovery of confidence in the institution. As in other replenishment exercises, success would be based on the broad coalition represented by the Global Fund partnership of donors, implementers, civil society and Technical Partners. Much of the effort of engagement would be focused on current donors but a process of reaching out to emerging markets was now well underway in conjunction with a revitalized approach to the private sector. Civil society networks are already very engaged and the Fund is reaching out to other high-level advocates to support the process.

14. Participants agreed that the 4th Replenishment should consist of two meetings – a preparatory meeting end-March/ early April 2013 and a pledging conference in September/October. Again, participants stressed the collective nature of the task. Previous exercises such as Gift from Africa which involved the private sector in implementing countries were held up as offering good value in this regard. The Chair urged all constituencies present to support the replenishment and pledge their best efforts to ensure that it would be a success.

In Conclusion

15. Participants thanked the Government of Switzerland and the authorities of the Ville and Canton of Geneva for their warm hospitality and the superb arrangements.

16th November, 2012