



The Global Fund to Fight AIDS, Tuberculosis and Malaria
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Annex 5

PARTNERSHIPS: FRAMEWORK AND PRIORITIES FOR THE GLOBAL FUND

Need for partnerships ¹

1. The Global Fund, as a financing mechanism, operates on the basis of discrete core processes, including the review of proposals and the disbursement of funds. These processes are generally reactive; the Global Fund solicits proposals for funding, but it does not shape these proposals or incubate local programs. In order to make grants that translate into public health outcomes and impact in the fight against AIDS, tuberculosis and malaria, the Fund must rely on partners who ensure that proposals received are of high quality and that funds disbursed are efficiently and effectively used by recipients.
2. To support its core processes, the Fund must proactively pursue ongoing supportive functions including resource mobilization and monitoring & evaluation. Given the goal and charter of the Fund, the near-term scale of these functions is significant: billions of dollars must be raised, and dozens – perhaps well over a hundred – programs must be monitored. The Fund has been mandated to be light, with a minimal central Secretariat, including a critical core External Relations team, and no local offices. The balance of this goal with the scale of the functions named above can only be maintained if the Fund's own capacity is substantially supplemented by that of partners.
3. Governing principles of the Fund instruct that its resources should be additional to others made available to fight diseases of poverty and that it should make use of existing international mechanisms. These principles directly imply the centrality of partnership. Funds can only be additional if they are well coordinated and monitored with the cooperation of other donors. And the use of existing international mechanisms must be ensured and optimized through cooperation with and proactive leverage of those mechanisms and their owners.
4. The scope of the Global Fund's interactions is quite broad. Its funding is directed to and its governance draws from all international geographies, global and local levels of organization, distinct disease communities (including people living with and affected by the diseases as well as the institutions which fight them), implementing bodies and technical agencies, etc. The Fund's ability to liaise with these constituencies, who are increasingly requesting direct engagement with the Fund, depends on a strong internal coordination team that can disseminate and uptake messages through partners: representatives/nodes in the constituents.

¹ Reference: two documents on partnerships have already been presented to the Board, In April 2002 the Board received the Business Plan in which partnerships were explored in Chapter GF/B2/9e: "Partnerships at the Global Fund", in October the Board received an early version of this paper entitled: "Partnerships: Framework and Priorities for the Global Fund" (GF/b3/8c)

Strategy and structure for partnerships

5. Given the pressing and multi-faceted need for collaboration, the Global Fund should clearly define the basis and operation of the partnerships it wishes to pursue. The basis of partnerships can be tied specifically to the identification of mutual benefits and common objective(s) between the Global Fund and the organizations or institutions with which it wishes to partner. The chief objective of the Fund is to make a substantial impact in the fight against AIDS, tuberculosis and malaria, particularly in communities of greatest need by leveraging rapid and innovative mechanisms to provide these communities with resources. All partners of the Fund should share this goal (or a portion thereof).
6. The mutual benefit of a partnership, or the “win/win proposition”, depends on the Fund both giving and receiving resources. Assets that the Fund is able to give to potential partners include an ability to achieve or support *impact*, given the leverage of the Fund’s financial resources and geographic breadth; permission to use the Fund’s *brand* to increase visibility or credibility; and various types of *access*, to the Fund’s network of donors, recipients, and other partners, as well as to the information and knowledge base of the Fund.
7. Furthermore, the status of partners in the Fund’s partnerships is important. The Global Fund’s partnerships will be based on the principle of equality of all partners especially as regards equality of access and treatment.
8. Potential partners can contribute a wide range of resources the Fund including *financial and material assets*, including cash as well as in-kind contributions, such as IT equipment or other relevant products; *skills and services*, including technical assistance, administrative or financial services, or marketing/strategic planning; and various types of *access*, including informational resources or institutional networks. Identification of a clear need for the potential Partner’s proposed contribution to the Fund is the precondition for the pursuit of any partnership negotiations.
9. The operation of all Fund partnership should be grounded on three reinforcing components. One is initial and ongoing shared decision making between the Fund and the partner on matters concerning the partnership and related activities/events. A second is a mutual contribution of resources, in practice and reflecting the original basis of agreement. Third, the Fund and its partner(s) should coordinate (or integrate) their activities, resulting in shared accountability vis-à-vis the results of their collaboration. In this context, there is a need for the Fund to assess its partnerships to ensure that agreed roles and functions in the partnership are being fulfilled.
10. The structures of partnership with the Fund will vary considerably. Along a spectrum of formal to informal, the structures could be described, at one end, as those based on binding legal agreements ; and, at the other extreme, as informal collaborations where the Fund and its partners operate on the basis of mutual understanding in the absence of any written agreements. A middle course could be based on a signed statement of principle, such as a Memorandum of Understanding, that makes public and transparent the nature or partnership but that does not create formal liabilities between the parties.

11. This latter option has the advantage of encouraging more spontaneous and result-oriented partnerships that are not constrained by the existence of formal liabilities between the parties. However, where financial contributions by partners require the clarity of a written agreement, a legal agreement should govern such partnerships.
12. On the basis of this definition and range of structures, the Fund can pursue a stepwise strategy to build partnerships. First, the Fund should map out the landscape of possible partnerships and then prioritize a few high-value opportunities (relying on an assessment of the benefit & risk of the partnership to the Fund and to its beneficiaries, based on both short- and long-term gains and internal resource requirements). Once these are identified, the Fund can solicit the interest of the potential partners and develop an agreement of a common objective and mutual benefits. The Fund should then structure the partnership and define the operational activities of each partner (i.e., roles & responsibilities), specifying, as appropriate, resource implications and management terms. Last, the Fund and the partner must agree how to evaluate the partnership and specify, as appropriate, "exit terms" to maintain minimum levels of acceptable performance. The Fund should continually evaluate the operations and realized benefits of its existing partnerships and continue to explore new relationships based on changing needs and opportunities.

Landscape of partnerships

13. Partnerships available to the Fund can be described on the basis of function (e.g., strategy), sector (e.g., private) or level (e.g., global). One variable is typically dominant, and the five spheres of partnership presented below are characterized as such. These spheres are not meant to comprehensively capture or represent the full landscape of possible collaboration, but they do highlight the major areas of expected partnership with the Fund. In many cases, the spheres described overlap, but they generally highlight distinctive types and features of partnership opportunities.
14. *Core operational partnerships* include those relationships through which the Fund outsources critical capacity and activity. These relationships are not necessarily limited to one sector, and they are required at both the global and local level of Fund operations. These are partnerships that are formal and involve the direct payment by the Fund to its partner of fees rendered for specific services. The partner, in return, benefits from the fees, as well as the Fund's brand and ability to advance significant impact against the three diseases.
15. *Technical partnerships* are ones in which the Fund's partners offer a particular type of valued and focused expertise that is of high value to the Fund's core processes. In this case, the partners do not conduct the processes directly, but support them through their distinctive skill. Technical capacity on their part complements the financial capacity on the part of the Fund. The level and sector of the partner are not as critical as the functional ability, which has likely been developed to advance the same goals as those that the Fund seeks.
16. *Local partnerships* are a challenge to the Fund, given that it will have no local presence, but simultaneously the basis of the Fund's success, as both proposal development and program coordination depend on Country Coordination

Mechanisms (CCMs). Multiple sectors must be involved in these partnerships, and they must assume responsibilities for multiple functions. Particularly key to this approach is the inclusion of Non-Governmental Organizations (NGOs) and the Private Sector whose expertise and activities in-country must be integrated into a holistic solution at the local level. While the Fund cannot proactively affect or prescribe their activities and procedures, it must take an active role in ensuring that these partnerships are able to achieve their goals.

Progress and Immediate priorities

17. For each one of these spheres, there has already been substantial and marked progress in the months since the Fund was created and since it approved its first grants. In a reflection of the operational evolution of the Global Fund, the effective pursuit by the Fund of the numerous partnership opportunities available has been delayed by the previous absence of a dedicated External Relations team. Now that the External Relations Department has been established, and partnership managers recruited, the Secretariat is poised to develop and sustain effective partnerships for the Fund in a more active manner. This is recognized as an immediate priority.
18. The Secretariat will need to have the scope to vigorously pursue and bring partnership proposals to the Board in order to maximize the operational effectiveness of the Fund. In developing the proposed partnership arrangements the Secretariat must not breach decisions approved by the Board or take actions that would anticipate policies under contemplation by the Board or on which the Board is expected to take action.
19. *Core operational partnerships* of the Global Fund currently include those with the WHO and the World Bank, as detailed by the Administrative Services and Trustee Agreements, respectively. These are formal agreements that specify a relationship in which the Fund is a paying client of these institutions. The services of the WHO allow Fund staff to enter into salaried contracts, to conduct duty travel and to negotiate payments related to the preparation of the Fund's permanent offices. The World Bank's services allow for pledges to the Fund to be translated into real cash contributions to well-managed trust fund and for disbursements to be made to Primary Recipients (PRs) of Fund resources.

In both cases, however, there is also room for substantial improvement, to clarify management processes and the resources available to each party for the ongoing operation of the partnership, including the services described above. This is a critical priority of the Fund, as these core contracts underlie the Fund's most basic procedures. Moreover, the Fund is entering into new core operational partnerships with Local Fund Agents (LFAs), both public and private. The LFAs will be the means by which a minimal Secretariat maintains appropriate oversight over operations and disbursements in recipient countries. The LFA partnership is also one in which a formal contract will specify terms of work for fees, but it must be cultivated with substantial investment beyond these formal terms to ensure that the LFAs are true representatives of the Fund, absorbing its culture, mission and principles and reflecting them to external parties.

20. *Technical partnerships* developed at the global level but applied locally are another priority of the Fund. The Fund must rely on highly competent partners to assist CCMs to develop high-quality proposals, reflecting technical best practice

and operational readiness, to prepare local systems for disbursement and launch/expansion of funded programs and to monitor and evaluate progress on an ongoing basis. WHO, UNAIDS, Stop TB and Roll Back Malaria are the premier sources of technical assistance for this purpose. Ad hoc partnership with these parties has been substantial. All conduct the work outlined above already, and they have actively supported the Fund by inviting Fund staff members to meetings with country partners (e.g., multiple WHO regional consultations, meeting of the Roll Back Malaria partnership), working with CCMs directly to prepare proposals, and working with nominated PRs to prepare for Grant Agreement negotiations in countries where proposals have been approved.

The missions of these institutions are directly complementary to that of the Fund. They provide technical assistance to countries so that countries can effectively use additional resources, which the Fund exists to provide. Bilateral partnership and mutual reinforcement between the Fund and each of these parties is a critical next step to institutionalize and to sustain the cooperation already underway. The development of a Memorandum of Understanding has been discussed with each party, with a draft MOU with UNAIDS completed. A similar process is underway with Roll Back Malaria and Stop TB.

21. *Private sector partnerships* have not been a target of sufficient effort to date. The private sector has been substantially involved in the ongoing work of the Board, the Technical Review Panel and the Secretariat, the latter drawing from a paid but discounted consultancy and active recruitment of professionals with private sector experience. But these are institutional or paid arrangements. There have not been de novo partnerships with private sector institutions. That said, at the global level, there have been offers to contribute to resource mobilization. Novartis has offered to donate 100,000 DOTS treatments through the mechanism of the Global Drug Facility, and Glaxo SmithKline has announced a price reduction of its antimalarials and antiretrovirals for all recipients of Global Fund grants. Both the in-kind donation and contribution to lower reimbursable costs are appreciated, and their value should be maximized. The Fund gains value based on the assets of these partners, in return for an assurance of accountability over the recipients as well as the brand value of the Fund. While the Fund cannot accept in-kind donations directly (as it is a financing mechanism and not a product intermediary), it should pursue strategies to more broadly leverage offers like these as a channel of resource mobilization.

The pursuit of local as well as global private sector partnerships for resource mobilization should be a high priority for the Fund. Private sector engagement in the programs that will be funded by the Global Fund is critical. Many interventions are best suited for private sector delivery, and the efforts of private sector companies to scale up the fight against AIDS, TB and malaria should be supported. The Fund should not pay for costs that are or otherwise could be paid directly by private sector firms, but it can extend the programs, when effective or offering a comparative advantage to other approaches, by funding the variable costs involved in such expansion. For example, treatment among employees of a company could be expanded to entire communities, using the same infrastructure, if the cost of non-employees was provided. Beyond this type of relationship, the assets of the private sector in country, e.g. distribution networks, could be better leveraged to support local programs. The Secretariat will pursue this kind of opportunity by seeking a distribution partnership with a private sector company in the coming months. Ultimately, these relationships would need to be part of the CCM framework, as the Fund is committed to sponsoring programs

developed and implemented through multi-sectoral local partnerships. But statements of principle with a few global companies, to support local resource mobilization, could be a first step.

In addition to local resource mobilization, at least one other type of private sector collaboration is a priority of the Fund. Specifically, to enhance communications the Fund is developing a partnership with the Kaiser Family Foundation. The Foundation is an independent health philanthropy dedicated to providing information and analysis on health issues to policymakers, the media, and the general public; it operates kaisernetwork.org, a free online news and information service for the health policy community, the news media and public. The Foundation has offered to leverage this global communications network to disseminate information on the Fund, recognizing that such an effort will improve the ultimate effectiveness of the Fund in achieving the shared goal of substantial impact against disease in communities of great need.

22. *NGO partnerships* have also been insufficiently developed thus far. Despite the lack of proactive partnership brokering by the Fund, NGOs have nonetheless been extremely active in supporting the Fund. Chief among the functions at which NGOs have excelled is communications. The global information exchange sponsored and moderated by global NGOs has allowed information about the Fund to disseminate broadly. The distribution of the Global Fund Update over the Break the Silence internet network, for example, has been a major point of leverage for Fund communications. In the other direction, NGOs have gathered, synthesized and transmitted data from local communities to the Fund, e.g. with the International Council of AIDS Service Organizations' (ICASO's) Global Fund NGO Update (released July 2002) or with the country study of NGO involvement in CCMs conducted by the International HIV/AIDS Alliance (released October 2002). These efforts have increased transparency and are very supportive. The recent launch of the Global Fund Observer is another example of this support network.

The Fund should more actively supportive efforts like these to ensure that communications with NGOs are consistent and accurate. While international NGOs do not offer the Fund material assets, they do bring the skill and services to maintain information exchange that the Fund lacks and the established network of NGOs to deeply penetrate into this core constituency group of the Fund. In return, the Fund's collaboration provides credibility through co-branding or visible sponsorship as well as substantial leverage to ensure that the efforts of these organizations have substantial impact in country, as the information exchanged should directly improve proposal development, implementation coordination, etc. The Fund should not structure these partnerships in such a way that it is paying for the services. In fact, even a formal Memorandum of Understanding is likely to be unnecessary. Nonetheless a relatively informal collaboration will be of tremendous value as long as it supports a clearer sense of mutually supportive roles and responsibilities.

23. *Local partnerships* are a great challenge to the Fund at the level of ongoing operations and Secretariat activity. Partnerships are well underway given the number and activity of CCMs, particularly in countries where such mechanisms for broad participation did not already exist. But the degree and substance of CCM partnership varies widely and, in some cases, does not fulfill the stated objectives of CCM partnership of the Global Fund (as described in the Framework Document). Key functions requiring support are governance and

oversight. All sectors must be involved, and the responsibilities for these functions must be shared by partners in country. While the Fund can encourage such interaction, the chief roles and activities of this partnership are ultimately local and context-specific. The partnership should be fairly formal, with specific representation of different parties and constituencies. And it should be led by a person and/or institution that can actively manage the needs of the partners. During program implementation, this may be the PR, with the involvement of the partnership managers in the Secretariat of the Fund.

Thus, while the Fund cannot manage these partnerships on a day-to-day basis, it can enable success, to a degree. Indicators to measure partnership can be included in reporting requirements specified by the Grant Agreement. More detailed guidelines on CCM partnership can be specified in proposal guidelines. And more can be requested of the CCM that requires active engagement of parties in country, in the proposal form and afterwards, e.g. a requirement of a once yearly stakeholder review to be sponsored by the CCM. Such requirements should not be overly burdensome or “heavy” for countries, but instead serve as minimum, measurable standards for the Fund.