

**Remarks by Michel Kazatchkine, Executive Director,  
To the Global Fund Board, Geneva, April 25, 2007**

*Madam Chair, dear Carol, Madam Vice-Chair, dear Lieve, Members of the Board, dear colleagues and friends:*

I am very pleased to speak to you today, my third day as Executive Director of the Global Fund. I shall begin in English and then turn to French.

The Global Fund was established on the basis of an inspiring vision - a vision to “make a difference” and finally tackle head-on three pandemics that condemn millions throughout the world to debilitating disease, discrimination, poverty, and preventable, early death. This is the vision that will motivate me at all times as Executive Director.

As you know, my professional life has been principally that of a medical practitioner, scientific researcher and academic. I now face the considerable **new** challenge of managing a global development organization. In this I will need and count on the help and advice of those who know the organization best: the Board, the Chair and Vice-Chair; the dedicated staff of the Secretariat, and the countless friends of the Fund throughout the world. This also includes listening to people living with the diseases, who rightly expect the highest possible standards of the Fund and its Executive Director.

The Fund is no longer a start-up, thanks to the leadership of countless individuals, governments and organizations, the Board, my predecessor Richard Feachem, and the Secretariat.

The Fund has come a long way in a short period of time. The World Bank’s IDA, established **nearly 50 years ago**, has recently committed on average 7-9 billion US dollars per year. After **just 5 years**, the Global Fund’s second replenishment will place between 4 and 6 billion dollars annually at the Fund’s disposal, and possibly as much as 8 to 10 billion dollars. Despite this success, the rapid growth of the Fund’s structures, systems and methods have combined to present new challenges, and these are well known to you. Rather than list them, I would like to share a few of my thoughts and priorities as I commence my term.

As I begin, I hope to achieve the right balance between continuity and change. Many of our innovative ways of working have proven successful, and we should not try to fix what is not broken. But we all agree that the Fund is also in need of significant change so that it is stronger and better equipped to move forward. To help me to find a path, I have established a **Transition Team** under the leadership of Keith Bezanson. I am deeply grateful to the Bill and Melinda Gates Foundation and to the Open Society Institute for having provided independent financing for the Team’s work.

Over the past month, the Team has conducted wide consultations, including within the Secretariat, with current and past members of the Board, with partner organizations and with other friends of the Fund. It has collected and synthesized ideas and is developing recommendations, bearing in mind the areas where continuity is important **and** where change is needed. This is still a work in progress and I am complementing the work of the Transition Team with my own discussions. I would like however to share with you a

few initial steps that I will be taking and areas that I will prioritize over the next three months.

**Firstly, the Secretariat:** I shall be assigning the highest priority to the Secretariat and its functioning, listening to the staff and learning with and from them. I intend to minimize my travel in the first months so that I am available and fully engaged in the workings of the office. As the Fund evolves, it needs a stronger Secretariat whose employees are confident in the organization and whose operations embody mutual trust, respect and teamwork. The interviews held by the Transition Team with almost 100 members of the Secretariat leave no doubt that changes are needed to achieve this.

Staff in general feel greatly overworked, and **nearly all** wanting to see improved management, supervision and support systems. The Transition Team has heard **many** appeals for mechanisms and policies that streamline and simplify processes, clarify roles and responsibilities, improve risk management and increase transparency.

Finding solutions to these concerns will take time. More consultation is needed, as well as thorough preparation **and** good communication. The Transition Team is therefore preparing detailed terms of reference for a comprehensive Management Review of the Fund. The terms of reference will include processes for detailed examination of three broad areas:

- First, a Secretariat-wide, participatory workload analysis will be conducted. This should establish the norms and benchmarks required for effective staffing and human resources management and for the alignment of functions, budgets and human resources at the Global Fund.
- Second, an organizational and structural review will be carried out. The organizational structures of the Global Fund have been built in response to short term needs and the Global Fund's rapid financial growth. This was perfectly normal for a start-up organization, but the present structures are not the product of systematic examination and forward planning. It is now time, as you have agreed in Guatemala, to conduct an independent systematic review and to make whatever changes and adjustments are required to meet the needs of the more mature organization that the Fund is today.
- Third, the rapid growth of the Global Fund has involved the constant addition of new processes and instruments for managing procedures, budgets, contracts, human resources, information and knowledge systems. There now needs to be a systematic review of the Fund's management processes, and the terms of reference will set out the requirements and framework for such a review.

In addition, separate terms of reference are being prepared for an independent review of the financial systems of the Global Fund. I am aware, of course, of the IG study that has already been done, as well as the independent study of the Credit Suisse account. The additional terms of reference to which I am referring will not duplicate this work, but instead will focus on how we are managing our financial systems. I want to be confident that our systems of internal management in this regard are strong, reliable and transparent.

I very much hope to have the results of both reviews available within the next five months. I am keenly aware that with change comes anxiety [or uncertainty] and, in

initiating these processes, I commit to being as inclusive of the Global Fund's stakeholders as possible, including the Board and staff.

Not all improvements need to await the results of the independent review. The discussions held by the Transition Team within the Secretariat indicate that certain immediate steps could produce significant gains in cost-efficiency and workload. I will be examining such steps as early as next week and talking with staff about how and whether we can take some simple steps together in the coming weeks to improve our working environment and procedures.

**En second lieu, les partenariats.** Je garde constamment à l'esprit le fait que le Fonds Mondial ne représente qu'un élément – certes critique - mais un élément seulement d'un large dispositif de lutte contre les trois pandémies. En tant que Directeur Exécutif, je veillerai à porter le plaidoyer de ce partenariat plus large dans cette lutte contre les trois maladies, et dont nous faisons partie.

Qu'il s'agisse des grandes organisations multilatérales, des Etats, de la Société Civile, des Organisations non gouvernementales de plaidoyer, ou du secteur privé, la recherche de partenariats est la seule façon pour le Fonds Mondial, de e faire face à un certain nombre de tensions intrinsèques à son modèle :

- Tension entre une approche centrée sur la demande des pays et la nécessité de standardiser les interventions et l'évaluation ;
- Tension entre la nécessité de monitoring et d'évaluation et celle de réduire au maximum les contraintes imposées aux pays récipiendaires ;
- Tension entre le besoin de résultats à court terme et la nécessité d'investir dans le moyen et long terme ;
- Tension entre programme spécifiques centrés sur les trois maladies et renforcement des systèmes de santé ; tension entre éligibilité universelle et priorité aux pays les plus pauvres.

Il nous faut être plus ouvert sur ces tensions et rechercher des solutions nouvelles pour les affronter dans le cadre de partenariats. Faire en sorte que concentrer ses moyens dans la lutte contre ces maladies, investir dans les systèmes de santé et être au service des plus pauvres ne s'oppose plus mais se renforce mutuellement.

A court terme, je souhaite renforcer les partenariats du Fonds sur le terrain avec l'ONUSIDA et l'OMS, ainsi qu'avec la Banque Mondiale dans la mise en œuvre des recommandations du GTT. Comme le montre bien la stratégie que le PSC va soumettre à votre approbation, le Fonds Mondial, en plus d'être un bailleur majeur, devient une force pilote dans la mise en œuvre de l'harmonisation et de l'alignement. J'aimerais ici rendre hommage au comité PSC et à son Président (Bill Steiger) et Vice-Président (Jairo) pour le travail accompli, en étroite collaboration avec le Secrétariat (en particulier David Salinas et Helen Evans).

Je souhaite que l'on progresse assez rapidement dans l'établissement d'une feuille de route avec UNITAID qui permettra d'assurer un financement à long terme de

médicaments de seconde intention pour les programmes du Fonds mondial, et intensifier nos partenariats avec STOP TB et RBM, PEPFAR, l'initiative présidentielle contre le paludisme, la Commission européenne et ceux des bilatéraux qui, par leur action, contribuent au succès des programmes financés par le Fonds dans les pays récipiendaires.

Le Fonds doit accroître ses partenariats avec la Société Civile, au sens large du terme, en recourant à la Société Civile comme récipiendaire principal dès lors qu'elle est mieux placée pour assurer cette fonction dans un pays récipiendaire.

**En troisième lieu, je souhaite inscrire parmi mes premières priorités l'amélioration de notre relation de travail entre le Conseil d'administration et le Secrétariat.** Je m'engage à écouter et servir toutes les délégations qui constituent ce Conseil, et à traduire en actions les décisions stratégiques que vous prenez.

**En retour,** je vous demande de m'accorder l'espace de liberté requis pour un »management « efficace, et de travailler ensemble à définir les limites qui séparent la gouvernance du « management ». Nous sommes à un moment singulier avec le premier changement de Directeur Exécutif, l'élection d'un nouveau Président et Vice-Président de notre Conseil, le passage en phase 2 de la plupart des programmes financés, le second cycle de reconstitution des ressources du Fonds, et l'évaluation du Fonds mondial à 5 ans. J'espère que ces échéances seront l'occasion d'apporter plus de clarté sur les rôles et devoirs respectifs du Conseil et du Secrétariat.

Chers collègues et membres du Conseil d'administration, notre monde globalisé est porteur d'opportunités et un puissant moteur de création de richesses. Mais il laisse aussi des centaines de millions de femmes et d'hommes et d'enfants de côté, prisonniers de l'extrême pauvreté, de la faim et de la maladie.

Le Fonds Mondial a montré que la lutte contre la maladie par l'intensification à grande échelle de la prévention et du traitement, suivant des normes scientifiquement validées, est possible et porte ses fruits dans le contexte des pays même les moins avancés, comme dans celui des pays riches.

Le Fonds Mondial apporte au monde en développement une formidable source d'espoir. Ensemble, sachons le réaliser.

Merci de votre attention.  
Thank you very much.