EXECUTIVE SUMMARY

THE GLOBAL FUND: PREVENTING DISEASES, PROVIDING CARE AND SUPPORT, AND SAVING LIVES

1. Every day, programs supported by the Global Fund save at least 3,600 lives, prevent thousands of new infections and alleviate untold suffering.

2. The Global Fund to Fight AIDS, Tuberculosis and Malaria is a public-private partnership established in 2002 to mobilize and intensify the international response to three global epidemics and thereby help achieve the Millennium Development Goals (MDGs). From its founding through December 2009, the Global Fund Board approved proposals totaling US$ 19.2 billion, and disbursed US$ 10 billion for HIV, tuberculosis (TB) and malaria control efforts. To maximize impact, every dollar donated goes to fund programs in country. The Global Fund has no country offices, and its operating expenses are almost entirely covered by the interest earned on the Trustee account at the World Bank.

3. The results and impact outlined in the report are the achievements of all the partners that collaborate as part of the Global Fund model. The success of the Global Fund relies on the financial pledges of donors, the technical guidance of - and collaboration with - multilateral partners, and particularly the management and implementation of programs by in-country partners including governments, civil society organizations and the private sector.

4. HIV. At the end of December 2009, programs financed by the Global Fund were providing antiretroviral therapy (ART) to 2.5 million people. Approved HIV proposals have totaled close to US$ 10.8 billion covering 140 countries. The Global Fund is estimated to have contributed about one-fifth of all disbursements by bi- and multilaterals for the HIV response in low- and middle-income countries in 2008. In addition to providing ART, programs funded by the Global Fund have also distributed 1.8 billion male and female condoms and have provided 790,000 HIV-positive pregnant women with treatment to prevent mother-to-child transmission of HIV, as well as 4.5 million basic care and support services to orphans and other children made vulnerable by AIDS, and 105 million HIV counseling and testing sessions. There is a growing body of evidence showing that Global Fund financing – alongside that of other financiers – has resulted in declines in AIDS mortality in countries in which provision of ART has been scaled up rapidly, accompanied by other significant impacts, such as improved survival and productivity of key professionals and other workers, and systemwide improvements in health care delivery.
5. **Tuberculosis.** Through 2009, programs funded by the Global Fund have provided treatment to 6 million people who had active TB. The Global Fund provides 63 percent of the external financing for TB and multidrug-resistant TB (MDR-TB) control efforts in low- and middle-income countries. Approved TB proposals have totaled close to US$ 3.2 billion covering 112 countries, contributing 48 percent of the projected coverage required to achieve the Stop TB Partnership targets for the detection and treatment of new smear-positive TB cases. TB programs supported by the Global Fund have also provided 1.8 million TB/HIV services. In many countries in which the Global Fund supports programs, TB prevalence is declining, as are TB mortality rates.

6. **Malaria.** By the end of 2009, Global Fund-supported programs had distributed 104 million insecticide-treated nets (ITNs) to prevent malaria. They also supported indoor residual spraying of insecticides in dwellings more than 19 million times and treated 108 million cases of malaria in accordance with national treatment guidelines. Approved malaria proposals have totaled US$ 5.3 billion covering 83 countries. In 2008, the Global Fund contributed 57 percent of international disbursements for malaria control. Global Fund investments have played a critical role in introducing and expanding coverage of novel, effective malaria treatments in many countries where drug resistance to older treatments is high. In conjunction with re-energized national and international efforts to combat malaria, increased Global Fund financing is having a substantial impact on malaria morbidity and mortality worldwide, with an increasing number of countries reporting a reduction in malaria deaths of more than 50 percent.

7. The Global Fund supports community-based interventions. Since 2003, these efforts have delivered 138 million community outreach prevention services for at least one of the three diseases and provided 11.3 million “person-episodes” of training for health and community workers.

8. These combined efforts saved an estimated 4.9 million lives by December 2009 and restored hope for the 33 million people living with HIV, the hundreds of millions of people who contract malaria or who are at risk each year, and the 9.4 million who contract active TB annually. The coming years will see even more results, as half of the total disbursements by the Global Fund were delivered in 2008 and 2009. Much of the US$ 5.4 billion of financing approved in Rounds 8 and 9 will reach countries in 2010 and 2011, and will continue to significantly boost health outcomes.

9. The Global Fund investments to combat HIV, TB and malaria are having a much wider impact – beyond individuals, their families and communities. They are major investments in health systems – bolstering infrastructure, strengthening laboratories, expanding human resources, augmenting skills and competencies of health workers, and developing and supporting monitoring and evaluation (M&E) activities. These enhancements, in turn, improve the sustainability of services, increase national capacity to expand programs further and increase countries’ ability to improve services for other health issues. Ultimately, the investments translate into a healthier population and increased productivity, enabling countries to further their development.

10. These investments have helped accelerate progress towards the MDGs by contributing directly to MDGs 4, 5, 6 and 8, and indirectly to the others. The US$ 19.2 billion of approved investment by the Global Fund is a direct contribution to MDG 6 (“Combat HIV/AIDS and malaria and other diseases”). In addition, major contributions have also been made to MDG 4 (on child mortality) and MDG 5 (on maternal mortality) by reducing the largest causes of mortality among women and children. This is particularly the case in sub-Saharan Africa, where HIV, TB and malaria are responsible for 52 percent of deaths among women of childbearing age and malaria alone accounts for 16 to 18 percent of child deaths.

11. The Global Fund’s innovative financing model was designed to respond quickly and effectively to the tremendous need for funding in the countries with the heaviest burdens of AIDS, TB and malaria, while ensuring transparency and broad accountability to donors and recipients. This model has continued to evolve, and in 2009 it tested new ways to strengthen country ownership and governance, increase access to lifesaving medicines and other health products, and promote health equity.

12. Equitable access to services is fundamental to the mission of the Global Fund. In making grants, great weight is assigned to each country’s needs, as measured by indicators such as disease burden and poverty level. The Global Fund also works to ensure that the programs it finances address the needs of the poorest, at-risk and marginalized groups, for instance with its new strategies on gender equality and sexual minorities. Further, it has become the world’s leading funder of harm reduction services for people who inject drugs, with substantial investments in 42 countries.
13. Between 2005 and 2009, nearly four out of five assessed grants were performing well. Currently, TB grants are the best performers and civil society organizations the best performing Principal Recipients.

CONTINUING TO LEARN, IMPROVE EFFECTIVENESS AND INNOVATE

14. The Global Fund always seeks to learn, improve and innovate through its operations, partnerships and evaluations. One key opportunity for learning comes from the engagement of different constituencies in Global Fund governance – governments, civil society, the private sector, affected communities and bilateral and multilateral agencies.

15. The Global Fund actively contributes to global efforts to improve aid effectiveness, especially in the area of managing for results, by playing a leading role in monitoring effectiveness and sharing experiences with performance-based funding.

16. Within the Global Fund, the Board, the Board committees, the Executive Management Team, the Technical Evaluation Reference Group and the Office of the Inspector General help identify key areas of the organization’s programs and business model in need of evaluation or improvement. The continuous attention to evaluation and learning helps the Global Fund maximize its responsiveness, effectiveness and cost-effectiveness.

17. Ensuring value for money at every stage of the financing chain is a critical priority for the Global Fund. One of the focus areas is to develop and promote, with partners, standardized methods for countries to measure the efficiency and effectiveness of key HIV, TB and malaria services. The comprehensive performance review which occurs by year two of each grant also contributes to value for money by allowing for the reallocation of funds from poorly performing grants to better-performing grants as well as for the identification of efficiency gains. In 2009 alone, nearly US$ 1 billion was freed up for funding new grants. Voluntary pooled procurement is reducing the cost and improving the quality of pharmaceuticals and health products, and collaboration with technical partners is assessing the efficiency of service delivery models in order to expand and optimize access to lifesaving interventions.

18. Through its portfolio of grants in 144 countries, the Global Fund has developed and is strengthening data analysis of unit costs for HIV, TB and malaria services. This analysis will institute savings, reveal best practices and waste, and assist in assessing resource-need estimates in future grant applications.

“The Global Fund was established to make a difference by tackling head-on three of the diseases that condemn vast numbers of people to ill health, discrimination and other human rights abuses, poverty and preventable early death. This is the inspiring and noble vision that unites us in our work at the Global Fund.”

— MICHÉL KAZATCHKINE
EXECUTIVE DIRECTOR
THE GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS AND MALARIA

MAINTAINING THE POSITIVE MOMENTUM FOR ACHIEVING RESULTS AND IMPACT

19. The Global Fund is realizing the extraordinary vision of its founders, donors and implementers: it has dramatically intensified the fight against HIV, TB and malaria while contributing to improving health systems and to progress on achieving the MDGs. Virtual elimination of mother-to-child HIV transmission globally by 2015 can be achieved. Massive scale-up of HIV prevention programs and of provision of ART continues, though universal access to comprehensive and evidence-based HIV prevention, treatment, care and support remains distant. Prevalence of TB has significantly decreased over the last decade and the international target of halving TB prevalence could be met by 2015. Unprecedented coverage with ITNs and effective novel treatments have made great inroads in combating malaria. The rapid scale-up of prevention, treatment, care and support for these three pandemics has meant hope and – as the results in this report testify – a positive impact on millions of lives.

20. Such unprecedented progress would not have been possible without the support of donors and partner organizations. In the coming years, continued, substantial increases in long-term financial commitments by donors will be needed to consolidate these gains and to reach the MDGs by 2015 and universal coverage of HIV, TB and malaria services. 2010 is a year that should inspire extraordinary commitments from the public and private sectors to safeguard and build upon the already substantial achievements made over the past decade.
INTRODUCTION

HOPE, INNOVATION, RESULTS AND IMPACT – AROUND THE WORLD

21. The substantial increase in resources dedicated to health through overseas development assistance and other sources during the past years has begun to change the trajectory of AIDS, TB and malaria, and more broadly, of the major health problems that low- and middle-income countries have been confronted with. The results and emerging signs of impact presented in this report paint a hopeful and encouraging picture.

22. Ten years ago, virtually no one living with AIDS in low- and middle-income countries was receiving lifesaving ART, although it had been available since 1996 in high-income countries. At the end of 2008, over 4 million people had gained access to AIDS treatment, representing over 40 percent of those in need. AIDS mortality has since decreased in many high-burden countries. For example, in Ethiopia’s capital, Addis Ababa, the rollout of ART has led to a decline of about 50 percent in adult AIDS deaths over a period of five years.

A CHILD STUDIES AT THE STAR CHILDREN’S HOME IN POKHARA, NEPAL, WHICH RECEIVES FINANCING FROM THE GLOBAL FUND. ALL 15 CHILDREN RECEIVING CARE FROM THE HOME ARE LIVING WITH HIV.

23. Malaria used to be a neglected disease. Today, at least ten of the most endemic countries in Africa have reported declines in new malaria cases and an impressive decline in child mortality of 50 to 80 percent.

24. Prevalence of TB was 220 per 100,000 in 2000. Today, the world is on track to meet the international target of halving TB prevalence by 2015. TB is being diagnosed much more effectively and 6 million additional people have gained access to DOTS (the basic package that underpins the Stop TB strategy) with the support of the Global Fund.

25. Much more remains to be done, but significant reductions in mortality and suffering, as well as in the economic and social toll these pandemics have inflicted on families and societies, have been achieved.

26. The world has an extraordinary opportunity to come close, reach or even exceed the health-related MDGs – the eight goals that every United Nations member state agreed to pursue in 2000 (see Box 1). Many of the international targets with regard to MDG 6 (Combat HIV/AIDS and malaria and other diseases) could be met, significant progress could be made on MDGs 4 and 5 (reducing child mortality and improving maternal health), and the other MDGs could also be positively impacted.
BOX 1 THE MILLENNIUM DEVELOPMENT GOALS

GOAL 1 Eradicate extreme poverty and hunger
GOAL 2 Achieve universal primary education
GOAL 3 Promote gender equality and empower women
GOAL 4 Reduce child mortality
GOAL 5 Improve maternal health
GOAL 6 Combat HIV/AIDS, malaria and other diseases
GOAL 7 Ensure environmental sustainability
GOAL 8 Develop a global partnership for development


27. If the momentum of the last decade is maintained and countries continue to scale up programs at the current rate, malaria could be eliminated as a public health problem in most endemic countries and indeed there would be hope for a world without malaria deaths by 2015. Millions more HIV infections may be prevented and lives otherwise lost to AIDS saved. The growing threat of MDR-TB may be contained. And it might be possible to virtually eliminate transmission of HIV from mothers to their children. In the process, health systems would be further strengthened so they can take on the many other health-related challenges low- and middle-income countries face.

28. It is rare in the field of international development to see such rapid correlation between investment and desired results and impact as has been the case in the past years’ efforts to fight the three pandemics. Increased international investments have, with great speed and efficiency, been turned into health services on the ground, benefitting hundreds of millions of people. Despite a lack of facilities, hundreds of thousands of health workers around the world have used new resources to save millions of lives.

29. The efforts to provide ART for HIV or effective treatment for TB and malaria to people in poor and often inaccessible areas, to provide insecticide-treated nets (ITNs) to millions of families and to undertake other efforts to prevent the spread of the three diseases are significant far beyond the health benefits they provide. They have been uniting the world around a common agenda and humanitarian purpose.

THE GLOBAL FUND AND ITS RESULTS AND IMPACT

30. The Global Fund was established in 2002 to accelerate progress toward the achievement by 2015 of the health-related MDGs. The Global Fund is an independent international financing institution which raises and disburses resources on a large scale to countries in need of funding to fight the three diseases and to strengthen health systems.

31. At its creation, the Global Fund was designed drawing on lessons from previous experiences in development assistance and recent models in international collaboration. It provides financing based on high-quality demand and relies on national planning and priorities to ensure that its funding reaches those who need it and is invested in the right interventions to achieve impact against the three diseases.

32. One of the key principles that guide all of its work (see Box 2) is the principle of “performance-based funding”. From its application process to the decisions to disburse money and continue funding at key milestones of each grant, the measurement and assessment of results remains the sole deciding factor.

33. Chapter 2 of the full report, “Results and Progress on International Targets”, summarizes the results of programs supported by the Global Fund, globally and in the regions in which it funds programs, and highlights the challenges that remain. The chapter – like the report in general – summarizes the results achieved by December 2009, drawing on analysis that uses the Global Fund’s evaluation framework on operational and grant performance, system effects and evidence of impact. Chapter 2 also addresses the extent to which the Global Fund contributes to the international effort to respond to HIV, TB and malaria, showing that soon after its founding, the Global Fund became the world’s leading multilateral investor in HIV, TB and malaria efforts. It now provides 63 percent of all external financing for TB, 57 percent of external funding for malaria, and about one-fifth of all HIV funding from donor countries. The chapter then discusses how Global Fund investments to combat HIV, TB and malaria have wider impact by strengthening health systems and contributing directly to MDGs 4, 5, 6 and 8, and indirectly to the other MDGs; it examines some of the results of the Global Fund’s performance-based funding model and it describes a variety of approaches the Global Fund employs to achieve greater equity in access to health services, and to improve health outcomes where inequities persist.
34. The Global Fund closely tracks the results flowing from its direct investments in 144 countries – but also the results and signs of impact of the national programs it supports. The results and impact presented in Chapter 2 of the report do not in any way claim to represent a full picture of progress in health over the past few years. However, they demonstrate the changes and improvements global health investments are achieving.

35. The Global Fund is a partnership in the fullest sense. Its success relies on the financial pledges of donors, the technical guidance of – and collaboration with – multilateral partners, and particularly the management and implementation of programs by in-country partners including governments, civil society organizations and the private sector. Whenever “the Global Fund” is mentioned in this report, this should therefore be read as including the collective efforts of all partners who together provide resources and turn them into services on the ground. All partners should take full credit for their role in making these services possible.

36. Chapter 3, “Improving Effectiveness” shows how the scale and nature of its work as a global financial institution have enabled the Global Fund to position itself as a key partner of other agencies working towards effective investment in health and development. The Global Fund is a signatory of the Paris Declaration on Aid Effectiveness, and works in close collaboration with countries and partner agencies to promote the Declaration’s principles of ownership, harmonization, alignment, managing for results and mutual accountability. The chapter describes a number of initiatives taken by the Global Fund in 2009 to improve aid effectiveness and to increase value for money at every stage of the financing chain, including by instituting systems to increase value for money by cost-benefit analyses of the Global Fund’s investments in key interventions.

37. Chapter 4, “Learning and Innovating”, shows how the Global Fund, taking advantage of the rich experiences and lessons learned through its investments in every part of the world, constantly learns, evolves, undertakes new initiatives and innovates, ensuring that it can respond quickly to demand and to the changing health and development challenges. The chapter summarizes how the Global Fund is responding to the results of the Five-Year Evaluation that were reported to the Global Fund’s Board in 2009. It then describes some of the initiatives and innovations the Global Fund has undertaken since it was established, with a focus on initiatives that started or were approved in 2009, including the move to a new grant architecture that will establish a single stream of funding per Principal Recipient per disease.

BOX 2
THE GLOBAL FUND PRINCIPLES

THE GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS AND MALARIA WAS FOUNDED ON A SET OF PRINCIPLES THAT GUIDES ALL OF ITS WORK, FROM GOVERNANCE TO GRANT-MAKING:

- Operate as a financial instrument, not as an implementing entity.
- Make available and leverage additional financial resources.
- Support programs that evolve from national plans and priorities.
- Operate in a balanced manner in terms of different regions, diseases and interventions.
- Pursue an integrated and balanced approach to prevention and treatment.
- Evaluate proposals through independent review processes.
- Operate with transparency and accountability.


THE WAY FORWARD

38. This report should inspire hope, but first and foremost it should inspire every sector of society – public and private – and every individual to make a commitment to continue scaling up the response to HIV, TB and malaria, to safeguard and continue building upon the substantial achievements already made.

39. In recent years, the world has made remarkable progress in many areas of global public health. In particular, there are signs of a dramatic turnaround in the fight against AIDS, TB and malaria. The coming years will undoubtedly see even more positive results and greater impact, given the recent intensification of efforts – more than half of all the services financed by the Global Fund so far were delivered in 2008 and 2009 and are only just now starting to show results in terms of lives saved and infections averted.
CONCLUSION

40. The global effort to fight AIDS, TB and malaria has a wider impact and benefits everyone. The three diseases are directly responsible for enormous burdens of death and disability, but they also have major repercussions for human development and society. Global Fund programs contribute substantially to the achievement of the MDGs. The MDG 6 targets for combating HIV, malaria and other diseases can be met, and some can even be exceeded, if progress is allowed to continue at the current rate. Malaria can be eliminated as a public health problem in most endemic countries, the growing threat of MDR-TB can be contained, and transmission of HIV from mothers to their children can be virtually eliminated.

41. Global efforts to fight AIDS, TB and malaria, as channeled through the Global Fund, also contribute to achieving MDGs 1, 4, 5 and 8, addressing extreme poverty and hunger, child health, maternal health and global partnership, respectively. The efforts supported by the Global Fund to improve children’s and women’s health are particularly important, as they support the scale-up of basic services for women and children, in addition to fighting AIDS and malaria, two of the main causes of death among women and children in many regions of the world.

42. Investments that have been made have also strengthened health systems. By setting ambitious targets and making funding flows dependent on achieving these, the performance-based funding model of the Global Fund has exposed health systems’ weaknesses and provided an incentive and the funding to address them. Investments undertaken, while focused on achieving progress in the fight against the three diseases, have helped strengthen the overall capacity of health systems by expanding community and district health facilities, improving procurement and administration capacity and retaining health workers.

43. For the last eight years, the Global Fund has been a major engine driving dramatic advances in the fight against HIV, TB and malaria. The programs it has funded have saved 4.9 million lives and improved the quality of life of many of the some 33 million people living with HIV, hundreds of millions of people who contract or are at risk of contracting malaria each year, and 9.4 million who contract active TB annually. The Global Fund has also been a driver for increased funding. It has proven itself as an efficient channel for this funding to health programs in 144 countries. It has focused international efforts of dozens of public, private and multilateral institutions towards achieving ambitious, measurable targets.
44. In this sense, the Global Fund is driving a major global effort that is on the road to achieving impressive successes in the fight for global health. All partners and stakeholders should take considerable pride in the role they play in this work.

45. As the economic crisis of the past two years has led to considerable pressure on government budgets and to tremendous hardship for hundreds of millions of people around the world, the Global Fund’s work to improve value for money, increase efficiency and to channel resources to where they achieve the best results has become even more important than before.

46. The past year’s economic crisis dropped millions of people below the poverty line. It followed a period of solid economic growth in many places that lifted millions out of poverty. Through its programs, the Global Fund and its partners can help provide a safety net for some of the poorest and most vulnerable populations, thereby partly alleviating the impact of the financial crisis. These programs can also help bridge the health gaps that often accompany income gaps, for example by helping to retain health workers in impoverished areas where they are needed most, and by providing prevention, treatment and care services to people who are otherwise unable to afford them. In addition, the Global Fund brings together North and South in decision-making, thereby encouraging them to create a shared vision and common purpose.

47. The Global Fund strives to be a 21st-century international development agency – efficient, transparent and adaptable. Established as a public-private partnership, it has introduced numerous major advances and best practices to its systems, policies, infrastructure and operations, allowing it to leverage its resources substantially in scaling up the fight against HIV, TB and malaria. The Global Fund is country-focused, and its organizational structure allows it to rapidly respond to the needs of its partners and the people affected by the three diseases.

48. This report describes the gaining of great momentum in global health. Goals that only a few years ago seemed utopian are within reach. Now is the time to further intensify efforts and to make a commitment to continue scaling up the response to HIV, TB and malaria, to safeguard and continue building upon the substantial achievements already made. While the results and impact described in this report should be cause for optimism, the progress made in the last years is fragile. A reduction – or even stagnation – of efforts would lead to reversals of recent progress. Continued, increased investments in health generally and in HIV, TB and malaria specifically, are needed, not only to reach or exceed the health-related MDGs, but also to preserve global stability and protect countries and communities at risk of disease.