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Brugha, R; Walt, G; (2001) A global health fund: a leap of faith? BMJ (Clinical research ed), 323 (7305). pp. 152-4. ISSN 0959-8138 <https://researchonline.lshtm.ac.uk/id/eprint/16388>

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# Education and debate

## A global health fund: a leap of faith?

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See also *Editorial* by Verheul and Rowson and *Paper* p 139

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BMJ 2001;323:152-4

After the 2000 G8 summit at Okinawa, the leaders of the world's richest countries announced an ambitious commitment to achieve substantial reductions in the global burden of disease and death due to HIV infection and AIDS, tuberculosis, and malaria by 2010.<sup>1</sup> A new global health fund, to be highlighted at the forthcoming G8 summit in Genoa, could form the cornerstone for meeting this commitment. The fund will be heavily dependent on resources from the richest countries, working in partnership with United Nations' agencies (especially the World Health Organization), the commercial sector (especially major pharmaceutical companies), other donors, non-governmental organisations, and governments of developing countries. Funds are intended to be additional to existing aid from multilateral and bilateral agencies and will be managed and disbursed by a new entity, the Global Health Fund. This is a major new form of governance (see box 1).

The Global Health Fund follows a plethora of recent global public-private partnerships to promote wider availability of existing products and stimulate product development as well as initiatives with a broader focus on health systems (see box 2).<sup>2</sup> Debates about these partnerships in the past year are relevant to the proposed global fund; they concern issues such as governance structures and functions, the balance of power between partners, the ability of recipient countries to determine how resources are used, and the balance between support to health systems and funding of health products. International policymakers are looking to the Global Alliance for Vaccines and Immunization (GAVI) for lessons, as this is one of the first such partnerships, with an established fund for disbursing free vaccines and funds to support health systems in some countries with a gross domestic product less than \$1000 (£714).

### Governance

Concerns have been raised about the composition and governance of different global public-private partnerships, including their representative legitimacy, accountability, and competence.<sup>3</sup> In the case of the Global Alliance for Vaccines and Immunization, UN agencies (mainly the WHO and Unicef) have had a dominant role, while commercial representation has been less. Substantial commitments by bilateral donors such as the Netherlands (\$100m) and Norway (\$125m) have qualified them for seats on the board.<sup>3</sup> Currently, Mali and Bhutan are the developing countries represented on the board; it is unclear how they were selected and

### Summary points

A new global health fund is being set up to bridge the funding gap for the control of HIV infection and AIDS, tuberculosis, and malaria

The fund is due to be established this year, but it is not yet clear exactly what it will support and how it will be run

The planning burden on developing countries could be increased by the fund if existing global health initiatives are not consolidated and simplified

Rich countries will need to make large, long term commitments to the fund if developing countries are to be successfully supported to sustain new, expensive treatment and preventive services

how they represent the positions of other developing countries. Only one non-governmental organisation has representation on the board, raising similar questions. While the alliance's structures are well defined and fairly transparent, the processes for selecting some of its members and for decision making are less so.

After a consultation meeting in Geneva in June 2001 there was still "no envisioned structure for the governing board" of the new Global Health Fund,<sup>4</sup> although working papers for the meeting had proposed an executive board of about 12-15 people. It

### Box 1: What is the Global Health Fund?

- It is an alliance of partners from UN agencies, developing countries, donor governments, foundations, corporations, and non-governmental organisations
- Its purpose is to mobilise, manage, and disburse additional resources for the control, in the first instance, of HIV infection and AIDS, tuberculosis, and malaria
- It will purchase drugs and vaccines, but there is no consensus on how it will do this or whether it will also support developing countries' health systems
- Pledged contributions (as of 25 June 2001) amount to \$200m from the United States, \$180m from the United Kingdom, \$150m from France, and \$100m from the Gates Foundation. These may be one-off contributions

**Box 2: Global public-private partnerships and related websites**

- Global Alliance for Vaccines and Immunization ([www.vaccinealliance.org](http://www.vaccinealliance.org))
- Stop TB ([www.stoptb.org](http://www.stoptb.org))
- Roll Back Malaria ([www.RBM.who.int](http://www.RBM.who.int))
- International Partnership for AIDS in Africa ([www.unaids.org/africapartnership](http://www.unaids.org/africapartnership))
- European Malaria Vaccine Initiative ([www.emvi.org](http://www.emvi.org))
- Multilateral Initiative for Malaria ([www.nih.gov/fic](http://www.nih.gov/fic))
- European Commission Accelerated Action ([www.europa.eu.int/comm/development](http://www.europa.eu.int/comm/development))
- International AIDS Vaccine Initiative ([www.iavi.org](http://www.iavi.org))

was proposed that this would represent all constituencies and create a governance structure with executive control over all important functions. Frequent shifts in the proposed focus of the fund suggest considerable contention behind the scenes. It may be that decisions about the governance of the fund will reflect the outcome of a struggle between the major players to determine its focus and control its development.

**Regard to recipient countries' needs**

Another concern is the interface between the global fund and recipient countries. The UK Cabinet Office Performance and Innovation Unit stated: "Products purchased through the fund should be in response to developing countries' requests, be suitable for delivery in developing countries and be cost-effective,"<sup>5</sup> reflecting a concern that national policies and priorities could be distorted rather than supported.<sup>6</sup>

Of the 74 countries eligible for support from the Global Alliance for Vaccines and Immunization, by mid-June 25 had successfully applied for support and 20 of these are eligible for new or underused vaccines. Seventeen are planning to introduce hepatitis B vaccine and seven intend to introduce *Haemophilus influenzae* type b (Hib) vaccine to their national programmes (GAVI Secretariat, unpublished article "Global health initiatives—lessons learned from the early days of the Global Alliance for Vaccines and Immunizations (The Alliance), 23 March 2001"). Tensions exist between a supply driven and demand driven approaches. One of the alliance's targets is that, by 2005, half of the poorest countries with a high burden of disease and adequate delivery systems will have introduced Hib vaccine; however, there is not yet adequate epidemiological evidence in many cases to justify this target. Inevitably, there is a tension between such targets for the introduction of new products and the principles of country ownership and keeping "decision making close to developing countries."<sup>5</sup>

**Procedural costs for recipient countries**

Minimising planning burdens and transaction costs for countries applying for new funds is also problematic. The Global Alliance for Vaccines and Immunization has tried to limit this "by keeping principles, policies and procedures as simple as possible" (GAVI Secretariat, unpublished article "Global health initiatives"). Nevertheless, the alliance's requirements, and those of a future Global Health Fund, are in addition to other initiatives that are time consuming for recipient countries.

One example is Sector Wide Approach programmes, which are being implemented in 19 countries of sub-Saharan Africa. The principle of these programmes is that donors, instead of funding individual projects or specific disease control programmes, pool funds to support a country's whole health sector.<sup>7</sup> An objective is to reduce the transaction costs for governments in managing multiple donor initiatives, with different reporting and financial management systems. Typically, senior government staff spend many weeks preparing for and participating in annual or biannual review meetings with donors and other partners. However, overstretched government staff are still too often required to manage a range of parallel and externally driven initiatives with different planning cycles and procedures and multiple inputs from local donors and external consultants.

**Setting priorities**

A potential benefit of the Global Health Fund is that it will focus on three major diseases (HIV infection and AIDS, malaria, and tuberculosis) that affect many poor countries. It could help to coordinate international efforts, reducing potential duplication among the different global public-private partnerships and health initiatives. At the country level, it could also reduce fragmentation by working within and supporting common frameworks and systems. However, experience has shown the difficulties of prioritising and coordinating different aid efforts. Even now, there is some uncertainty as to the fund's focus. In earlier discussions by donor organisations it was proposed to include the major diseases of childhood. More recently, Kofi Annan, the UN secretary general, called it a global AIDS and health fund (WHO, press release at World Health Assembly, Geneva, 22 May 2001), and a recent announcement has sought to clarify that a single fund was being proposed.<sup>4</sup> Competition between priorities, which has been a feature of international health development policies over the past half century, may well continue as other major diseases are proposed for support.

**Balancing systems and product support**

The need for sustainability and for strengthening health systems, especially in the poorest countries, has almost become a mantra in international policy statements. Most recognise that developing countries' health systems are fragile and yet are central to the delivery of drugs and vaccines. However, there are contested and unanswered questions about improving health systems, not least in relation to the respective roles of the private and public sectors.<sup>8</sup> None of these questions will be resolved in the short term—or in the initial stages of the Global Health Fund. Confusion exists as to whether the fund will support health systems: one report suggests that it should not,<sup>5</sup> whereas another consultation meeting envisaged support for both healthcare commodities and systems.<sup>4</sup>

Again the Global Alliance for Vaccines and Immunization provides useful lessons. For recipient countries that are eligible to receive new vaccines and system support, \$11.9m or 17% of funds has been allocated to strengthening health systems while the rest is targeted for providing new vaccines. The alliance's executive director is reported to have said that an opti-



Regina Nankabirwa, a 40 year old widow, has lost many relatives to AIDS and now cares for 18 children, 10 of whom are orphans. For the Global Health Fund to be of any help to her and thousands like her, it must be able to provide sustainable, long term aid

mum balance might be 60% of funds for new vaccines and 40% for strengthening immunisation services.<sup>6</sup> To encourage recipient countries to meet the targets set, additional funds for strengthening health systems will be released only once the countries have reached higher levels of immunisation coverage. Understandably, donors want to see their funding improving results. Ironically, failure to meet targets could indicate the need for greater support to weak health systems rather than withholding of funds. Governments that qualify for health systems support, have the “liberty to use the support in whatever way that leads to the planned result” (GAVI Secretariat, unpublished article “Global health initiatives”). However, the funds allotted represent only small percentages of countries’ projected annual recurrent budgets for health care.

If countries receive extra funds from a global health fund they will have to decide whether to manage such funds separately, in vertical programmes with separate management and financial monitoring systems, or to submerge the additional funds within overall government health budgets. Choosing the latter would reduce transaction costs but may be less attractive to donors and might delay the achievement of targets, reducing performance based rewards. New drugs and vaccines will also place new demands on weak health systems. Seemingly minor changes, such as a change in first line antimalarial treatment from chloroquine to sulphadoxine-pyramethamine, can take years to achieve.<sup>9</sup> Some of the new tools, such as a vaccine to prevent HIV infection, will require new delivery systems, needing much greater levels of investment in health systems. In addition, when new products are introduced commercial companies may well want to attach additional conditions to their use, requiring parallel planning, management, and evaluation systems.<sup>9</sup> High value drugs in the hands of poorly paid and demoralised health workers in the public sector are also liable to leak into uncontrolled private sector channels.

## Conclusions

The Global Health Fund is sending out a crucial message that rich countries have a moral and political imperative to do something about three diseases that are wreaking devastation in many poor countries. The fund may underwrite the purchase of drugs, vaccines, and other commodities where markets are too weak to respond and stimulate pharmaceutical companies to conduct research to develop new drugs and vaccines. It is only through a global fund that this kind of concerted global action between major corporate and public sector players can be achieved.

However, there are many challenges in implementing such an initiative. Firstly, the scale of the commitment will need to be sufficient to justify the level of input of international and national policymakers. Estimates of the cost of scaling up existing programmes to tackle the three diseases suggest the need for an additional \$9-15bn<sup>10</sup> or \$10-20bn<sup>11</sup> annually. Commitments to the fund to date have been small (see box 1). Secondly, considerably greater investment in health systems will be needed to deliver new treatment programmes, whether from the fund or from other sources. Thirdly, if there is a time limit to the international commitment, poor countries that alter their drug policies to incorporate expensive new drugs could be left with unsustainable costs at a future date. Finally, the urgency with which the global fund is now being promoted—to be operational by the end of this year<sup>4</sup>—suggests that the complexities of implementation have been underestimated.

Malaria, tuberculosis, and HIV infection are not new. Now they are finally receiving the degree of attention they deserve, it is important that the goodwill and commitment engendered through this initiative are not lost in failure for lack of attention to making the global fund work well. Achieving good governance for decision making will be the first step.

We thank Mary Starling for helpful comments on earlier drafts of this article.

Competing interests: None declared.

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