V. FLORESCU

Global health hits crisis point

The Global Fund's drive to ensure sustainability and efficiency means that it may not be able to meet its commitments to combat disease, says Laurie Garrett.

Last week, Michel Kazatchkine tendered his resignation as executive director of the Global Fund to Fight AIDS, Tuberculosis and Malaria. Regardless of whether you've heard of the French AIDS scientist, or even of the fund, you should keep reading. This is a crucial, dangerous moment for global health.

Kazatchkine made clear the political struggle that forced his resignation. "The Global Fund has helped to spearhead an entirely new framework of international development partnership," he wrote in his resignation letter. But under stress during the world economic crisis, with radically declining support from donors, a battle developed. "Today, the Global Fund stands at a cross-road. In the international political economy, power-balances are shifting and new alignments of countries and decision-making institutions are emerging or will have to be developed to achieve global goals. Within the area of global health, the emergency approaches of the past decade are giving way to concerns about how to ensure long-term sustainability, while at the same time, efficiency is becoming a dominant measure of success," he wrote.

It is almost possible to hear Kazatchkine spitting out the words 'sustainability' and 'efficiency'. Since the financial crisis of November 2008, a storm has been brewing over these concepts, one that affects everything from humanitarian responses to projects that distribute malaria bed nets. It is a fight, and on one side are those who believe that crises in general, and the AIDS pandemic and allied diseases in particular, constitute global 'emergencies' that must be tackled with full force, mistakes be damned. On the other are those who feel that AIDS is now a chronic disease that can be managed with medication and therefore requires investment in permanent infrastructure of care and treatment that can eventually be operated and funded by the countries themselves.

It is a classic battle of titans, pitting urgency against long-term sustainability. In his resignation letter, Kazatchkine essentially conceded victory to the forces for sustainability. Charitable urgency didn't stand a chance once the donor states started cinching their domestic budget belts so tightly that they had to punch new buckle holes.

The fund was established ten years ago as a unique mechanism to move billions of dollars from rich countries to poorer ones, to combat and treat three infectious diseases: HIV, malaria and tuberculosis. It acts as a granting agency, accepting applications from governments and health organizations, and convenes regular replenishment meetings to tell donors — mostly the governments of the United States, United Kingdom, France and Germany — how much money is needed for the next round.

By the end of 2009, the fund was disbursing US\$2.7 billion a year, and was underwriting almost half of all HIV treatment in poor

countries, about two-thirds of all malaria prevention and treatment in the world and about 65% of all tuberculosis efforts. The fund's most marked impact has been on malaria. At the end of 2011, the World Health Organization estimated that the number of malaria deaths had fallen by one-quarter between 2000 and 2010.

But Global-Fund cash has spawned dependency and expectation among its recipients. Should it disappear, or radically diminish, countries would be hard-pressed to finance malaria and tuberculosis efforts.

Indeed, the great diminishment has commenced. In October 2010, the fund asked donors for \$20 billion for five years' worth of disbursements. The donors were indignant and committed just over half that. In response, the fund's flabbergasted leadership cancelled the next grant round, and it will now not distribute new grants until 2014.

Donor scrutiny increased and a high-level independent review panel set up by the fund's governing board, which includes representatives of United Nations agencies and the World Bank, released a scathing report, citing a litany of problems, including fraud, theft and inconsistent decision-making by grant reviewers.

At a meeting in Accra, Ghana, on 21 November, the board members expressed shock at the problems identified by the high-level panel, and by reports commissioned on the situation on the ground in some countries. Some African leaders described riots and demonstrations at the lack of vital medicines, especially for HIV. The board's own investigation showed that the fund had committed assets of \$10 billion for 2011–13, but had

only about \$4 billion in its bank accounts.

The board called for ways to stretch available resources and eliminate inefficiencies. Key to that would be the appointment of a general manager to oversee all spending, pushing Kazatchkine aside. Stepping into that position is Colombian banker Gabriel Jaramillo.

To try to give Jaramillo a running start, in Davos, Switzerland, last week, Bill Gates handed over some \$750 million, redeemable by the fund in full during 2012, or spread out over time. And the Saudi Arabian government announced a \$25-million donation. As generous as these millions may be, the fund needs billions just to stay alive and fulfil country grants, let alone to grow. Right now we have no idea where that money will come from. Should the fund collapse, the consequences will be severe. Progress against tuberculosis and malaria will stall, and more than a million people living with HIV could be left without treatment. ■

Laurie Garrett is senior fellow for global health at the Council on Foreign Relations in New York, recipient of the 1996 Pulitzer Prize in Journalism and author most recently of *I Heard The Sirens Scream: How Americans Responded to the 9/11 and Anthrax Attacks*. e-mail: lgarrett@cfr.org

GLOBAL-FUND CASH
HAS SPAWNED
DEPENDENCY
AND EXPECTATION
AMONG ITS
RECIPIENTS.

➔ **NATURE.COM**
Discuss this article
online at:
go.nature.com/ge9til