New Frontiers: Innovation and Access

Global Fund replenishment and policy implications

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February 28th - March 1st 2019
Evolution of the Global Fund to fight AIDS, TB and Malaria (GFATM) - resources and allocations

Global Fund past replenishment results

- 2008 - 2010: 9.7 Billion USD
- 2011 - 2013: 11.7 Billion USD
- 2014 - 2016: 12.2 Billion USD
- 2017 - 2019: 12.9 Billion USD

TB spending and commitment in EECA

- Government
- Global Fund
- Other Donors
The Global Fund 2019 replenishment and investment case

- Global Fund replenishment Oct 2019
- Target: "at least" USD 14 bn for the 2020-22 period
- Projections assume a 48% increase in domestic resources...
- Makes the case for tackling Global Health Security (e.g. MDR-TB), Health Systems Strengthening and inequities in health

“A fully funded Global Fund, alongside sustained levels of other external funding and significantly scaled-up domestic financing, plus more innovation, more intensive collaboration and more rigorous execution, would enable delivery of the Global Fund Strategy targets for 2022 and put us on a trajectory toward attaining the SDG 3 target of ending the epidemics by 2030.”

– Global Fund investment Case

Is the USD 14 bn target ambitious enough?

New Frontiers: Innovation And Access
8th TB Symposium – Ministry of Health of the Republic of Uzbekistan and Médecins Sans Frontières
GF policy shift – Sustainability, Transition and Co-financing (STC)

Co-financing requirements apply to ALL countries:

a) progressive and general increase in government expenditure on health;

b) increased co-financing (uptake) of GFATM supported programs, focusing on recurrent costs of key program components, including “recurrent human resource associated costs, procurement of essential drugs and commodities for the three diseases, and rights based programs for key and vulnerable populations, which are in line with epidemiological context and informed by evidence as appropriate”

[Of course, governments have been procuring some drugs themselves – especially for TB]
Sustainability, Transition and Co-financing (STC)

Co-financing requirements along the development continuum work towards enhancing financial and programmatic sustainability, eventual transitions and gradual, progressive absorption of key program costs.

Focus on sustainability planning, including:

- Strengthened National Strategic Plans
- Increased focus on health financing and development of health financing strategies
- Enhanced alignment with country systems
- Efficiency and Optimization
- Gradual absorption of key program costs

Focus on sustainability and transition preparedness, including:

- All sustainability activities +
- Transition planning
- Directly addressing transition challenges in grant design
- Increased focus on interventions for key populations
- Accelerated co-financing of all key interventions

Ineligible “Final Grant”

Maximum 3 years transition funding

Low Income Countries (LICs)

95 components*

Lower Middle Income Countries (LMIC) with high / extreme / severe disease burden

69 components

Ineligible

Funding request based on Transition Work-plan

LMICs with low / moderate disease burden and all UMICs

12 components

Note: numbers are based on disease components that received a country allocation and exclude multi-country grants (except RAI initiative). While there are certain flexibilities for COEs under the STC policy, they are included here.
GF policy shift – Allocation policy

- Allocation-based model drives an increased proportion of funds to higher burden, lower income countries
- Decrease in overall GF funding to EECA by 15% between funds disbursed 2010-2013 and allocated in 2014-2017; and by approximately 40% in the following period (2017-2019).

GFATM allocation evolution in EECA (HIV, TB, Malaria)

GFATM funding shifts for TB grants in EECA countries
16-18 years of building healthy markets

**PRICE**
- Competition, suppliers
- Large volumes

**QUALITY**
- WHO Prequalification Project
- Stringent Drug Regulatory Authority (SDRA)

**REGULATORY**
- Import waivers

**SUPPLY**
- Multiple suppliers
- Forecasting

GFATM benefits

HIV + TB + HCV

- ARVs TLD
- HCV DAAs
- DRTB drugs
- Molecular testing
  - VL HIV, HV HCV, MTB/RIF
The ”Procurement cliff”

Global Drug Facility (GDF) documented problems

<table>
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<tr>
<th>Issue</th>
<th># of Countries</th>
<th>Regions</th>
<th>Country Income</th>
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<tr>
<td>Stockouts (medicines)</td>
<td>15</td>
<td>Africa, Asia EECA</td>
<td>Low, Lower-Middle, Upper-Middle</td>
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<td>Failed Tenders (medicines, lab consumables &amp; reagents)</td>
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<td>Medicines of unknown quality</td>
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<td>Diagnostics of unknown quality</td>
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<td>Asia EECA</td>
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<td>Medicines &amp; diagnostics not recommended by WHO</td>
<td>6</td>
<td>Africa, Asia EECA</td>
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<tr>
<td>High medicine &amp; diagnostic prices</td>
<td>21</td>
<td>Africa, Asia EECA, Latin America</td>
<td>Low, Lower-Middle, Upper-Middle</td>
</tr>
</tbody>
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A shared responsibility to act

**GOVERNMENTS**

**PRICE**
- Use GLOBAL MARKETS vs. national bids
- Transparent bids, process Waiver from VAT

**QUALITY**
- Require WHO Pre-Qualification (PQ)/Stringent Drug Regulatory Authority (SDRA)
- Enrol in WHO Collaborative Registration Procedure
- Reduce regulatory barriers
- Strengthen Procurement and Supply Management (PSM) & forecasting

**GLOBAL ACTORS/DONORS**

**PRICE**
- SUPPORT Civil Society advocacy & watchdog role & benchmark pricing
- SUPPORT pooled procurement/negotiation
- INCENTIVISE policy changes

**QUALITY**
- INCENTIVISE companies to submit WHO PQ
- SUPPORT WHO PQ

**REGULATORY**
- INCENTIVISE policy changes
- SUPPORT WHO Collaborative Registration Procedure (CRP)
- Support PSM strengthening

**SUPPLY**
- Continue funding support

**GLOBAL FUND**

**PRICE**
- LOOK before you leap
  - Transition readiness assessments for co-financing countries
  - Act on the readiness assessments

**QUALITY**
- Monitor & report
  - DS/DR-TB treatment scale-up, incidence etc. should be performance/“success” indicators for co-financing and transition

**REGULATORY**
- Provide and promote TRANSPARENCY and collaboration
  - Co-financing agreements & readiness assessments
  - Share info and activate partnerships

**SUPPLY**
- Policy flexibility and mitigation
  - Exempt drugs/diagnostics from co-financing
  - ‘Tail’ funding allows countries to access GFATM markets

**GOVERNMENTS**

**GLOBAL ACTORS/DONORS**

**GLOBAL FUND**
What is at stake?

• Unambitious pledges (flatlining= decrease?) >>
• GFATM overall funding shortfall vs. needs  >>
• Further reductions in lower burden/higher income countries>>
• Accelerated co-financing and transition>>
• Risk of stalled scale up, and increased risk of procurement cliff
Closing gaps and avoiding cliffs

• Additional resources from all sources are needed, but with realistic assessment and expression of needs and resources to ensure quality, coverage and access

• Avoid donor disengagement from the international TB response – call for ambitious replenishment (civil society critical) and a GFATM that remains ’global’

• Ensure transition and co-financing policies tailored to country context and people’s needs, applying flexibilities in implementation and remind all funders of globally agreed targets

• Promote collaboration to remove barriers and expand access to affordable and quality assured medicines and diagnostics
Thank you!