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Global Fund: reform needed to regain credibility

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The Global Fund to Fight Aids, Tuberculosis and Malaria, one of the major funders for HIV/Aids programmes around the world, is facing an unprecedented moment of crisis as it announced last week that it has run out of funding to pay for new grant programmes for the next two years.

Tight economic conditions and recent reports of fraud, theft and corruption among its grantees set the stage for this dramatic decision by its board on November 23 – a decision that is likely to impact poor Aids patients around the world. Recovering from this setback and continuing to pursue its ambitious mission will require bold action by the Fund and significant shifts in what it requires from grant recipients, how it tracks progress and how it ensures accountability for results.

A decade after its founding, the Fund is the largest financier in the fight against these three killer epidemics and has not only saved millions of lives directly through its grants but has shifted market dynamics for antiretroviral medications (ARVs) in ways that make treatment more affordable in the long run. As it now seeks to right its course, it has already taken important steps to chart a new course with an emphasis on accountability, efficiency and additionality – i.e., ensuring that its funding doesn't displace existing financial resources.

Earlier in October a high-level independent review panel on fiduciary controls and oversight mechanism (HLP) had recommended major changes to the accountability structures at the Fund. The panel's recommendations, most of which have been adopted by the Fund, were centred on shifting it to focus on outcomes instead of inputs, instituting tiers of grant requirements, and creating better accountability structures within the Fund by repurposing committees, empowering middle managers, and adding positions with an explicit focus on risk management. These recommendations are likely only to create a slow, costly and rigid bureaucracy that delivers only marginal benefits to accountability and effectiveness.

The challenges faced by the Fund today present an important window of opportunity for it to drive reform while preserving its lean design principles that will make it not only more

transparent and accountable, but also more agile, responsive and efficient. This can be achieved by driving data-based accountability from the bottom-up, empowering the Fund's ultimate recipients and partners to provide real time feedback on the performance of the programmes it supports.

One of the most obvious places to achieve this change is in the supply chains its recipients use for delivering medicines and other health products. Through better information collection, particularly using mobile telephony, and enabling a multiplicity of players to participate in those supply chains, efficiency and transparency could be radically improved.

The inclusion of recipient feedback could be part of a lean multi-channel platform which would allow the Fund to make better use of information, create greater transparency, and have more effective tools to manage performance. Previously, incorporating feedback from end-recipients, village councils, professional bodies, fragmented civil society organisations and so forth was prohibitively expensive. But with the spread of mobile and broadband networks within developing countries there is now an unprecedented opportunity to improve the transparency, tracking and evaluation of the Fund's programmes by collecting data and opening channels of communication between it, its suppliers, the end-users of its products and services, and the intermediaries.

Creating this multi-platform system would require the Fund to rethink its overall accountability architecture, creating new channels for communication not only with end recipients, but also with actors and stakeholders throughout supply and distribution chains.

There are several examples which demonstrate the potential of this bottom-up accountability. For example, years of investment and top-down planning and accountability structures have not been able to address stock-outs at the health facility level. A new programme, SMS for Life, has cut stock-outs of malaria medicines in regions of Tanzania to extremely low levels by linking health facilities to district medical offices through mobile phone-based communication. Using the data collected from health facilities and internet mapping software, the district offices have been able to redistribute stock in the most efficient way possible, saving time and transport costs.

Similarly, the Stop Stock-Outs Campaign, which covered four countries in southern and eastern Africa, used a combination of Ushahidi crowdsourcing software and the FrontlineSMS communication platform to collect reports of stock-outs of essential medicines for six months in 2009 and 2010. It received hundreds of reports, providing a template for consumer monitoring of health services. Admittedly, these examples may not be usable in their current form and structure for the scale required by the Fund. However, they do demonstrate that citizens and end-beneficiaries can be fertile sources of rich and highly granular information about medicine availability and that efficient mechanisms can

be created for incorporating end-beneficiary feedback to drive bottom-up accountability.

Similarly, drug regulation is another area that is traditionally governed by top down accountability with national drug regulatory authorities having the responsibility of ensuring safety, efficacy and quality of medicines. The birth of applications such as Sproxil, Pharmasecure, and mPedigree, which allow consumers and pharmacists to send codes marked on products to central databases via text messages to check the products' authenticity, demonstrates the power of bottom-up accountability in combating counterfeits. They also show how bottom-up mechanisms can work in concert with top-down accountability structures, linking consumer actions and input to governance and oversight bodies. The same kind of communication would allow the Fund to verify the delivery of commodities purchased by grantees.

These kinds of bottom-up accountability mechanisms will need to be institutionalised – covering all suppliers and grantees – if they are to realise their potential. In the private sector, large corporations with the most sophisticated monitoring and control systems that measure multiple metrics at all levels in a system, invest heavily in tools which allow them to tap into the voice of the customer, as this creates a direct link for feedback. This process need not be burdensome, though; the appropriate system would be one that is focused on lean structures, savvy uses of technology, and has a relentless focus on incorporating the voice of recipients – the Fund's "customers" – to drive accountability and to improve overall performance.

Similarly, there will need to be a move away from exclusively government-run medicine distribution systems. Inefficiency and corruption is inevitable in a system where the government has near monopoly over delivery of drugs and health services, government employees who run the programmes are lowly and irregularly paid, and there is lack of granular data to hold anyone accountable. Transport, warehousing and distribution of drugs, and the data systems that enable supply chains to operate efficiently, are not core strengths of any government. Even the most publicly funded health systems in OECD countries use private sector entities to manage their supply chains.

To ensure that products procured from the Fund's grants reach the end-beneficiaries effectively and efficiently, the locus of accountability has to become more dispersed; it has to shift from government offices alone to end-beneficiaries and private sector entities. Creating accountability "pressure points" outside the government and removing the government's monopoly on distribution to the extent possible, will be vital in making delivery systems more responsive, efficient and accountable.

New accountability mechanisms will require new sanctions, too, otherwise they will be short-lived. Bottom-up accountability without top down enforcement is futile. The availability of data collected from bottom-up mechanisms, especially, will increase the

accessibility of performance metrics and may strengthen the feasibility of bold performance-based funding. Equally important, it will allow the Fund to focus more on the needs of its intended beneficiaries, with whom it has had limited direct communication to date.

The Fund was formed with the recognition that the old ways of development aid – top-down, tightly controlled efforts, steeped in bureaucratic controls and dependent on large numbers of international staff – didn't work, and too often built programmes that were poorly matched to local needs, lacked local leadership and were ultimately unsustainable. The Fund risks going down that path in the name of accountability. With more timely, robust and better-utilised bottom-up information on its supply chain and ultimate recipients, it doesn't have to.

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