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Executive Summary
The Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) has an explicit focus on three diseases rather than a system-wide focus; however, aspects of the operations of the fund are designed to ensure a good fit between the disease-specific focus and the broader health care system. In addition, the GFATM may have system-wide effects on a national health care system due to the sheer magnitude of the resources it is distributing, especially in low-income countries. Finally, the Global Fund’s mode of operation, in particular its emphasis on efficient and rapid disbursement, marks a departure from traditional modes of providing development assistance, and this in itself may have a significant effect upon health care systems.

This paper presents a conceptual framework that identifies the channels through which disbursements under the GFATM might have broader effects on national health care systems. This conceptual framework is intended to serve as a basis for future monitoring and evaluation efforts.

The overarching conceptual framework suggests that the design and implementation processes the GFATM requires and the programmatic interventions it funds will not only have a direct impact on the targeted diseases but on the functioning of the broader health care system as well. In turn, effects upon health care system performance (equity, efficiency, access, quality, and sustainability) are likely to be observed. These broader system-wide effects will influence the utilization and coverage of nonfocal services, and, ultimately, the burden of diseases from sources other than the focal diseases. The effects GFATM-supported activities will have on the broader health care system could be intentional or unintentional, and the unintentional effects could have positive or negative consequences for health system performance. The system-wide effects that occur in-country will be affected by the nature of the country context, in particular, the macroeconomic, political, and development assistance context; government and health system capacity; and service delivery structures.

This paper reviews in some detail the design, selection, and implementation processes associated with Global Fund grantmaking, as well as the strategies and content of approved proposals. Countries are given considerable freedom in what they propose to the GFATM, as long as their proposal is perceived to be technically sound and in alignment with the resources requested and available. Accordingly, GFATM supports a diverse range of activities; however, it is possible to identify some common features of GFATM proposals. For example, GFATM-supported activities frequently do the following:

- Devote a substantial proportion of funding to the purchase of drugs and commodities (particularly anti-retrovirals and insecticide-treated nets)
- Invest in human resources, especially staff training
- Promote a greater role for the private sector in-service delivery
- Include the purchase of new equipment and renovation of facilities
- Emphasize the need to strengthen referral systems

This paper discusses the potential effects each of the GFATM-supported activities or strategies identified will have on the stewardship, resource development, financing, and service delivery functions of the health care system.
In terms of *stewardship*, it is hypothesized that GFATM support might intensify the incorporation of nontraditional actors, particularly private actors, in policy processes, bring about implicit changes in policies and priorities, and present regulatory challenges to government if growth in the private sector occurs.

In the area of *resource development*, human resource issues appear particularly important, given the shortage of skilled health workers in many low-income countries. Attempts to scale up the assault on the focal diseases could distract health workers from other priorities, lead to price increases or price differentials between those health workers working on focal diseases and those that are not, and cause shifts in the distribution of health workers that could potentially have negative implications for equity.

The *financing functions* of the health care system may be affected by the increased recurrent budget implications of capital investment supported by the Global Fund. There are also complex questions surrounding the principal of “additionality” that GFATM requires. Finally, while the GFATM aims to operate simplified and rapid disbursement mechanisms, the extent to which parallel budget and accounting systems will be established remains to be seen.

GFATM-supported activities are likely to affect *service delivery* in a number of ways. It seems likely that in some contexts GFATM support will shift the balance between public and private sectors, and could potentially lead to greater “verticalization” of service delivery. Vertical and parallel support systems, particularly pharmaceutical distribution systems, but also health information systems and management information systems, may also be developed. Several GFATM-supported strategies emphasize the need for improving referral systems.

This paper discusses how the different country contexts might mediate the effects of the GFATM on the functioning of broader health care systems.

In conclusion, there are four aspects of the health care system that the Global Fund is likely to affect in many different settings. The following have been identified as priorities for monitoring and evaluating the Global Fund:

- Effects on the policy environment
- Effects on the public/private mix
- Effects on human resources
- Effects on pharmaceuticals and commodities

Such effects could be measured at a number of different points, including the Global Fund’s impact on processes within health systems, the performance of health systems, the utilization and coverage of nonfocal diseases, and final outcomes in terms of morbidity and mortality due to nonfocal diseases.

Given the disparate strategies countries have adopted regarding their health systems and the difficulty of attributing observed effects to GFATM-supported activities, monitoring and evaluating the system-wide effects of the GFATM is unlikely to be a straightforward process. However, it seems to be an important and necessary initiative to ensure that the large amounts of money GFATM spends will have the maximum positive effects possible.