

SUMMARY SHEET

Agenda Nr. 2.06-12.0	Subject	Financial sustainability of GDF grant recipients
For Information <input type="checkbox"/>	For Discussion <input type="checkbox"/>	For Decision X

Rationale

The Global Drug Facility (GDF) grant is in principle for a 3-year period, subject to satisfactory compliance with GDF terms and conditions of support, annual independent monitoring and availability of resources. One condition for support is that public sector/donor funding for tuberculosis (TB) control activities, including for anti-TB drugs, will not be reduced as a consequence of, or during the period of GDF grant support. However, the funding situation for anti-TB drug procurement in many countries remains such that external financial assistance is still required even after completion of a 3-year grant. For many of these countries, GDF is the only source of such assistance.

Working to ensure uninterrupted access to standardized, high quality and competitively priced anti-TB drugs, in 2005 GDF began offering second 3-year grants to countries that, among other things, committed to maintain or increase the public anti-TB drug budget annually. Several countries subsequently applied for and are receiving second-term grants from the GDF. All of these countries have maintained their national budget lines for anti-TB drugs. Few have significantly increased their budget lines.

Summary

Given the gap between what is required and what has been budgeted in many countries, it is highly likely that a number of GDF countries will still require financial assistance upon completion of their second 3-year GDF grant. Although the GDF has made strides in securing funds for anti-TB drugs for eligible countries through collaboration with other donors (such as the Global Fund for AIDS, TB and Malaria -- 12 countries through 2005 -- and the United Kingdom's Department for International Development), there is an opportunity to deliver greater long-term financial sustainability of national TB programmes by leveraging GDF processes.

Following World Health Assembly resolution 58.14 supporting sustainable financing for TB prevention and control, in 2005 GDF launched its *Sustaining the Gains Strategy (STG)* (see Doc 2.06-12.3 "*Sustaining the Gains -- National Self-sufficiency for anti-TB Drug Access, a Global Drug Facility Model*"). The STG strategy recognizes that, while financial self-sufficiency must be the ultimate goal, in the nearer term, sustainable financing for TB control is more realistic. Sustainable financing, as defined by GDF, refers to a countries' ability to mobilize and efficiently use governmental and supplementary external resources to achieve TB control targets. The strategy mandates that GDF should not phase-out of a country if the gains secured via GDF's Grant, Direct Procurement or Technical Support services – in terms of access to quality, low-cost or free anti-TB drugs and technical assistance – will be lost. At the same time, it requires GDF to use its grants to leverage increased political commitment towards a more sustainable anti-TB drug supply.

Decisions requested (from the Stop TB Coordinating Board)

GDF requests that the Coordinating Board consider a proactive, practical and robust approach to ensuring broader political commitment from countries to finance their anti-TB drug supply, and proposes three approaches for consideration. These approaches include:

1. Make annual increases in public sector funding for anti-TB drugs a condition of GDF support, so as to leverage GDF grants for change.
2. Extend the GDF grant cycle from 3 to 5 years, so as to allow countries sufficient time to build the financial budget lines required to pay for drugs themselves, without requiring unrealistic budget increases or putting at risk national supply of high quality anti-TB drugs.

In relation to 1 and/or 2 above, an option may be to introduce a financial sustainability planning process such as that employed by the Global Alliance for Vaccines and Immunization (see *Doc 2.06-12.1: "The GAVI financial sustainability planning process"*).

3. Maintain a fixed grant value throughout the duration of the GDF grant, with funds transitioning from purchase of anti-TB drugs (because of matching/increased national budget lines) used instead to support GDF technical assistance for drug management in the country (see *Doc 2.06-12.2: "Building national drug management capacity while inducing financial sustainability"*).

Implications

Should the Coordinating Board recommend that GDF pursues a more proactive approach towards ensuring broader political commitment from countries to finance their anti-TB drug supply, the following implications are expected:

- A framework detailing the GDF model for financial sustainability planning and implementation would be developed, requiring recruitment and contracting of appropriate consultants (anticipated duration of engagement 10 weeks, approximately US\$ 15,000).
- Guidelines for the development of financial sustainability plans would be developed for each GDF country, possibly supported by missions to selected countries (anticipated duration 2 weeks for up to 20 countries, approximately US\$ 60,000).

Funding to finance these activities is available in the GDF 2007 work plan.

Next Steps

Action Required: Develop framework model

Focal Point: Robert Matiru

Timeframe: To end 2007