

Dr. Mark Dybul
**Executive Director, the Global Fund to Fight AIDS,
Tuberculosis and Malaria**

Submitted to the United States Senate Committee on
Appropriations
Subcommittee on State, Foreign Operations, and Related Programs

Chairman Graham, Ranking Member Leahy, and Members of the Subcommittee:

It is humbling to be before this distinguished Committee with a remarkable panel of friends and colleagues of many years. Thank you very much for your strong, bipartisan leadership on global health and development. The consistent support of this entire Subcommittee, has been remarkable. I would also like to acknowledge the close bicameral work with your colleagues in the House of Representatives, Chairwoman Kay Granger, Ranking Member Nita Lowey and all of the Members of their Subcommittee. It is a fantastic example of Congress working together to support critical global health and development programs and American interests abroad. I am amazed at the significant work being done around the world with such a small fraction of the U.S. federal budget.

This Chamber and Committee has been a driving force in global health and development. Senators Frist and Kerry designed some of the early legislation that formed the basis for the President's Emergency Plan For AIDS Relief (PEPFAR) and the Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund). Then Senator Obama co-sponsored the reauthorization of those programs in 2008, and has remained a strong supporter of them, continuing what was begun by President Bush.

By funding global health programs on preventable diseases, your leadership, and through you, the leadership of the American people, has significantly contributed to preventing many millions of new infections and saving millions of lives. You have catalyzed the development of sustainable and resilient health systems in many countries, and supported healthier, more productive stable families, communities and nations generating lasting impact on the world at a scale that is difficult to fully appreciate. And you have enhanced the view of the United States and the American people in countries you have supported. People know what the American people stand for when you stand with them through difficult times.

We now have the opportunity to make an even bigger difference and impact: we can further drive down the rates of mortality and increase years of productive lives by ending the biggest communicable diseases of our time.

We will only be successful with a partnership approach that allows countries with a high burden of disease to be in the lead. The Global Fund is a 21st-century partnership that is designed to accelerate the end of AIDS, tuberculosis and malaria as epidemics. The partnership includes governments, civil society, the private sector, the faith community and those affected by HIV, TB and malaria. By raising and investing nearly \$4 billion a year tremendous results have been achieved to date: 7.3 million people are on antiretroviral therapy, 12.3 million have been tested and treated for tuberculosis, and 450 million mosquito nets have been distributed to protect children and families from malaria. Today, with your leadership and able U.S. government leadership of PEPFAR by Ambassador Deborah Birx and the President's Malaria Initiative (PMI) by Admiral Timothy Ziemer, we are making advances in global health that we could not have dreamed a little more than a decade ago.

I would like to highlight 3 important topics:

- Creating opportunity for millions and building resilient health systems;
- Evolving the partnership through shared responsibility catalyzed by U.S. leadership; and
- Driving innovation to bring new solutions, ideas and partners to the fight against AIDS, TB and malaria.

1. Now is the time – Creating opportunity for millions and building resilient health systems

An historic moment in global health and development

New scientific advances and growing experience in implementation now make it possible to eliminate HIV, TB and malaria as threats to public health, by ending them as epidemics. You are the first generation of leaders with the opportunity to end two plagues – malaria and tuberculosis – that have been with us since recorded medical history, and the modern Black Death – HIV/AIDS.

With your strong support, the curves of new infections in HIV, TB and malaria are being bent in a downward direction and there has been a significant reduction in deaths. Your investments have not only improved health but have proved to be an essential component of gains related to education, the reduction of inequalities and economic growth. We now face a clear choice: we can accelerate our work toward the goal of ending these epidemics, or we can maintain current commitments and risk a resurgence of infectious diseases and undermining of the last decade of investments in global health.

In addition to affecting the health of individuals directly, infectious diseases are having an impact on whole societies, economies and political systems. In the developing world in particular, crucial

sectors for sustained development such as health and education, have seen a marked loss of qualified personnel, as a result of the three diseases. These and other infectious agents not only take an enormous physical toll on humanity, but also cause significant economic losses both directly in the developing world and less directly in the developed world. For example, it is estimated that Nigeria alone loses \$3.5 billion per year in GDP due to malaria. Healthy, productive people make healthy, productive nations – and good trading partners. It is therefore a matter not only of public health, but also of economic interest, to accelerate progress in ending the diseases.

By working together, we can also bring out the best in humanity, by recognizing every individual as an equal participant in building healthy societies, where opportunity is extended to all. Collective commitment can change the course of history by achieving an end to these epidemics. For example, in Southern Africa, the rate of HIV infections in young women can be 5 to 10 times the rate in young men. Sexual assault and abuse – gender inequality – is driving HIV infections. Because of the “youth bulge” – a significant increase in the number of young people – without rapid action, rather than driving towards the end of the HIV epidemic, we could see an explosion of new infections. We have known that girls and young women, and boys, in school have a much lower rate of infection than those out of school. Recent data demonstrate that providing relatively small incentives to keep young women in school can reduce the rate of HIV by 25 to 60 percent. And adolescent girls that have good health and education are far less likely to become child brides and to become pregnant early. And they are far more likely to become women with economic opportunity who will spend 92 cents of every dollar they earn to feed, educate and provide health care to their children creating a virtuous cycle of equal opportunity, health and economic growth. We are working closely with PEPFAR’s DREAMS initiative and USAID, the World Bank, the Gates Foundation and others to support countries to fundamentally

change the course of their history.

But we now have the knowledge to end HIV, TB and malaria as epidemics, strengthening economies and creating an inclusive human family. With your leadership, together we can make history.

Building resilient health systems

Investments in HIV, TB, and malaria over the past decade are having a broad and positive effect on the overall health system, as evidenced by decreased incidence and deaths in numerous African countries. An unfortunate illustration of the gap in the ability of the health system to conduct surveillance and rapidly responding to infectious disease threats was seen during the recent Ebola outbreak in three post-conflict environments in which all systems, including health, were greatly weakened. However, not enough attention has been focused on the countries that did control the epidemic, or prevented it from starting in the first place. Investments in community health workers and the basics of health systems made a difference. I was recently in Cote d'Ivoire and Senegal and was in Mali during the early stages of its outbreak. The health workers trained and deployed for so called disease-specific responses made a difference. In a village in rural Senegal, I met the woman who goes door to door to deliver malaria bednets, to make sure they are used and who checks every person with a fever for malaria, who led the effort against Ebola.

More than one third of the Global Fund's investments go to strengthening health systems in the countries and communities where programs treat, prevent and care for those affected by the three diseases. A strong data system is critical to detect emerging issues and manage care for patients, as the Ebola outbreak has demonstrated. Investments in improving the efficiency of in-country supply chains are also critically important to improving

health systems and a key priority of the Global Fund due to our large investments in commodities.

As a means of responding to the health, humanitarian, and development crisis in West Africa due to the Ebola virus, the Global Fund continues to support Sierra Leone, Liberia and Guinea in their efforts to re-build their health systems.

2. Evolving the partnership through shared responsibility catalyzed by U.S. leadership

A two-to-one return on investment

The Global Fund's public-private partnership model has achieved significant results for global health, and one of the main reasons is its ability to leverage investment, notably from the United States as its largest donor. For every \$1 the United States contributes to the Global Fund, other countries and the private sector contributes \$2. Not only does this greatly increase resources ensuring that the fight against the diseases is not born by the U.S. alone, it magnifies impact. With the Global Fund currently responsible for approximately 22 percent of international financing for HIV/AIDS (with over 50 percent of Global Fund resources dedicated to HIV/AIDS), more than half of international financing for malaria, and 72 percent of international financing for TB, these investments are essential to ending these epidemics.

For the more than \$12 billion that Global Fund will invest between 2014 and 2016, the U.S. is on track to provide at least \$4 billion. This fulfills the pledge President Obama made when the U.S. successfully hosted the Global Fund Replenishment launch here in Washington, D.C. in 2013. Support for the Global Fund comes from over 25 countries, the European Commission, private foundations, corporations and faith-based organizations.

Catalyzing new donors and increased domestic contributions

Despite the strong support from traditional donors, it is clear that reliance on external sources is not sustainable. To make a truly transformational difference in the lives of millions of people affected by the three diseases, increased efforts are needed to mobilize resources from both new donors, and importantly, domestic resources. Increased domestic funding for health means greater country ownership and sustainability, which will ultimately translate into more impact, lives saved, and greater economic growth.

As a part of a new approach to financing, in 2014 the Global Fund developed a Domestic Financing for Health Strategy and introduced a requirement that countries match 15 percent of every grant with an increase in domestic resources for health. Thus far, this has generated approximately 51 percent in additional domestic funding for the 2014 to 2016 period, accounting for nearly \$3.9 billion in additional funding from 110 countries for sustainable health gains. Because of collective efforts, UNAIDS reports that since 2012 domestic resources have outpaced external funding for HIV/AIDS. That has long been the case for tuberculosis where implementing countries fund 80 percent of their programs and domestic investments in malaria are lower but growing. The U.S. Government is also very actively engaged in increasing domestic funding, and this is another area where we are working closely together.

Further expanding the Global Fund partnership to engage new powers and emerging economies is a priority. China, Korea, Thailand, South Africa, Nigeria and Namibia already contribute to the Global Fund. Emerging economies can play an increasing role in global health through co-investment opportunities, the leveraging of domestic private sector investments and promotion of innovative finance mechanisms.

The private sector

A strong and growing partner for the Global Fund has been the private sector. Through direct contributions, the private sector has invested \$1.7 billion to date. Bill Gates, who recently testified to this Sub-Committee, has been the largest single private sector contributor through the Bill and Melinda Gates Foundation and is a strong ally in engaging new contributors to the Global Fund.

Private corporations' and high net worth individuals' donations to the Global Fund have increased by more than 50 percent since 2010. Since the Global Fund Replenishment meeting in Washington, DC in 2013, an *additional* \$42 million in private sector pledges have been raised, including new pledges from MAC AIDS Fund, Good-bye Malaria and Comic Relief. PRODUCT (RED), created by Bono and Bobby Shriver, and its corporate partners increased their pledge by \$30 million dollars bringing the total contributed by (RED) to nearly \$300 million.

With the support and leadership of Bill Gates, high-net-worth individuals from India, Indonesia, South Africa and Vietnam have also made commitments to the Global Fund of more than \$100 million.

Equally exciting are the innovative financing mechanisms being used to channel such resources. In Indonesia, a private sector health fund is being established to complement government investments. These private sector driven health funds have several key advantages: they bring new domestic resources to health; because the funders are business leaders, they have significant influence and can push for increased government financing for health that they can agree to “match” with private sector contributions, and; they can drive greater efficiencies and value for money by bringing good business practice to government efforts.

Therefore, the private sector contributes much more than money – they contribute new solutions, ideas and innovation to global health and development. This topic will be discussed in greater detail in the section on Innovation.

The faith-based community

Similarly, we continue to work hand-in-hand with faith-based organizations, which are critical to every stage of Global Fund operations. Globally, faith based organizations have received over \$900 million in grants as Global Fund sub-recipients, funding projects in at least 73 countries. Just last month here in the Capitol, Bishop Bickerton of the United Methodist Church announced an extraordinary \$9.6 million contribution. Combined with their previous donation of \$8.5 million, the United Methodist Church’s total contribution of \$18.1 million to the Global Fund is unprecedented.

But the faith-based community offers far more than money. It is a great pleasure to be here with my dear friend Pastor Rick Warren. The PEACE plan initiated by Rick and Kay’s Saddleback Church is a great example of what happens across the U.S. when churches, synagogues and mosques act from their belief that we are all sisters and brothers as children of the author of life, and “to whom much is given, much is required”. The faith community does not prevent or treat diseases, they care for a whole person worthy of respect and love. Saddleback performs its great works of mercy through their own resources, and we are privileged to work with them and to support faith-based organizations around the world.

Beyond its partnership with the United Methodist Church, the Global Fund is further strengthening its ties with faith-based organizations and encouraging governments to directly finance faith-based organizations. This will enable health programs to reach

deep into communities to support effective prevention, care and treatment programs. I have delivered this message of the importance of faith-based organizations and community systems to heads of state and government in countries I have visited. The linkages between governments, faith-based organizations, NGOs and communities are becoming all the more important as domestic financing for health increases.

Community-based organizations

Among the reasons the faith community is so effective is that they meet people where they are – they are not only in the community, they are of the community. Similarly, other community-based organization, including those of the people most affected by HIV, tuberculosis and malaria have a critical role in advocacy, implementation and innovation. It is a privilege to be here with Elton John. He and his foundation have been doing remarkable work supporting community groups who provide HIV counseling and testing, care, treatment and other services to those often left behind and are discriminated against – which also helps break down stigma that is the enemy of the battle to end the HIV epidemic.

3. Driving innovation to bring new solutions, ideas and partners to the fight against AIDS, TB and malaria.

Innovation Hub

New innovations can create unprecedented opportunities to accelerate prevention and treatment interventions for dramatic impact. The Global Fund is working to capture and catalyze innovation from the private sector, public sector, the faith community and community-based organizations.

The Global Fund is working with partners to leverage private sector expertise to increase the effectiveness of programs we finance and

address common implementation challenges. To do so, we have established an Innovation Hub with a focus on engaging new and complementary actors. The Global Fund Innovation Hub seeks not just partnerships with the private sector, but partnerships for solutions.

The Innovation Hub is a platform that allows us to bring together partners that will yield new solutions in the fight against the three diseases. It focuses on three primary areas: procurement and supply chain management, finance systems and program quality. As we look towards implementing countries to take on greater levels of responsibility for financing programs, we are opening new entry points and creating greater space for private finance and expertise.

We are looking for innovation that will yield significant results in our efforts to fight the three diseases, improve health outcomes and strengthen country systems. We are also broadening our engagement modalities with the private sector – from cash and pro-bono, to innovative “low-bono” models. We are focusing on three main priority areas: finance and risk management; procurement and supply chain management and quality of service delivery. We already have models that are working. Coca-Cola uses its distribution and marketing expertise to strengthen health product supply-chains in countries in Africa. With SAP, we have a multi-country approach with pilots launched in 6 countries on a grant management dashboard tool designed to help implementers manage their programs better. To improve financial and risk management capacities in programs we fund, a partnership with Ecobank provides capacity building support focused on Nigeria and South Sudan. With Munich Re, the partnership is focused on vulnerable communities with potential solutions such as life insurance, critical illness cover, living benefit products, universal health covers and improved access to health.

We are also aiming to improve the quality of health programs and

services by implementing innovations in management that increase efficiency with existing funding. We are looking at health facilities that perform extremely well and how we can replicate their practices in other sites. Adopting country-driven innovations can yield very material savings. Initial evidence suggests that these approaches have the potential to significantly improve effectiveness by 20 percent or more on key program outcomes such as case detection and treatment adherence. We are working closely with PEPFAR, the Gates Foundation, the World Bank and others on this important endeavour.

Procurement for Impact

The Global Fund is also leading the world and other donors to clarify global demand forecasts, lower costs, improve suppliers' production plans, and make procurement more efficient for HIV/AIDS, tuberculosis and malaria interventions and commodities. This is perhaps the single most effective way to achieve long-term savings and stretch critical Global Fund and U.S. taxpayer dollars. Called Procurement for Impact, this major new initiative of the Global Fund is working to reduce costs through more efficient and effective purchasing and supply chain management. The initiative has saved \$500 million since 2013 - money that is being reinvested by countries for greater impact. Now that is value for money. It has also improved monthly on-time delivery of commodities from 38 to 68 percent over the same time period.

E-marketplace for health commodities

Finally, I'd like to note the exciting new work being done on the creation of an innovative E-marketplace for health commodities, a system being developed in conjunction with PEPFAR and private sector funding and expertise. Although still in its initial stages, this open-source, cloud-based system has the potential to revolutionize the procurement of health commodities, not just for the Global Fund

but for all global health providers. It would allow countries to independently input global health product specifications and delivery dates, and then have a centralized data base offer up commodity and price options in just the same way that we can order and compare prices online for books or plane tickets. This would provide countries with procurement autonomy in their ordering without sacrificing cost and quality controls – and without requiring sophisticated and expensive in-country procurement expertise. The marketplace would also provide full transparency, and therefore significantly reduce opportunities for corruption and provide tracking information to reduce diversion.

Falsified and sub-standard medicines

In recent years, the issue of falsified and sub-standard medicines has become an increasingly important issue, with a recent report estimating that up to 30 percent of anti-malarials circulating in sub-Saharan Africa are of inferior quality. The Global Fund closely monitors and responds to incidences of falsified medicines by continuing market surveillance activities. The Global Fund also helped to create the Global Steering Committee for Quality Assurance of Health Products which includes regulatory and law enforcement agencies, non-government organizations and others to contribute to an enhanced drug quality assurance framework, supply chain integrity and expanded public awareness.

Conclusion

As Bill Gates recently stated before this Subcommittee, “If you look at a disease like HIV, through PEPFAR and the Global Fund, millions of lives are being saved, and if you cut those programs back there simply won’t be enough medicine to keep people on treatment. The United States has been an incredible leader there. It’s done a great job of drawing other governments in. It’s only through our generosity, though, that other money is activated. So if we cut back

I think we'll see other funds going away, as well.”

U.S. leadership is essential and we will see a resurgence of infectious diseases if our commitment to these diseases waivers. But more importantly, we have an historic opportunity to end these diseases together. This is a goal and challenge worthy of the American people and this great body. Together, we can prevent new infections, save millions of lives, support resilient health systems, and create healthy, stable and productive families, communities, and states.

Once again, on behalf of the Global Fund, I thank you for the opportunity to testify here today. I look forward to answering your questions.