



Presents

WHERE IS THE COMPARATIVE ADVANTAGE? THE GLOBAL FUND AND WORLD BANK HIV/AIDS PROGRAMS MOVING FORWARD

[Transcript prepared from a tape recording]

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AGENDA

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Ruth Levine

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Alexander Shakow

Author, "Global Fund and World Bank HIV/AIDS Programs Comparative Advantage Study"

Celina Schocken (Discussant)

Council on Foreign Relations Fellow, Center for Global Development

PROCEEDINGS

MS. LEVINE: --[In progress] another in what I think will be a continuing series of conversations hosted by the combination, sometimes separately, sometimes together, Center for Global Development and the Friends of the Global Fight Against AIDS, Tuberculosis and Malaria, around key policy questions in HIV/AIDS.

The brief introduction of institutions that are co-hosting this event. The Center for Global Development, now starting our fifth year, was established to look at how the policies of U.S. and other wealthy countries affect the prospects for development of poor countries.

A key way that that happens is through the transfers of development assistance, through either multilateral or bilateral mechanisms. So it is within that context that we have a strong interest in the content of the work that will be presented and discussed today on the comparative advantage of two key institutions in the fight against AIDS.

The Friends of the Global Fight Against AIDS, TB and Malaria works to educate, engage and mobilize Americans in the fight against AIDS, TB and Malaria. By focusing these efforts on decision-makers in Washington, Friends seeks to build a sustained political commitment to fighting these diseases, and, in particular, to support the Global Fund as one instrument, one important instrument to do this.

Perhaps not too coincidentally, both Friends of the Global Fight and the Center for Global Development owe their existence, in part, to Ed Scott, who is a technology entrepreneur with a big heart, a strong interest in development policy, and a particular interest in the fight against HIV/AIDS.

I want to thank my co-hosting institution and, particularly, the Executive Director, Natasha Bilimoria, for helping to put this together, really doing much of the work. I also way thank Myra Sessions, Sarah Dean from CGD, and Amanda Epstein and Jesse Stepler from the Friends of the Global Fight, without whose work nothing ever happens.

This is clearly a timely topic. Your presence here reflects that. In the world of HIV/AIDS, which many of you in the audience know better than I do, there is a clear movement, a very healthy movement from a discussion about how much to a discussion about how best; how best to do this work, how best to use the resources that have been mobilized, while continuing the conversation about the need for more resources.

The Global Fund, as we all know, was established as a result, among other things, of a kind of underlying frustration or concern that the traditional instruments of development assistance were not necessarily quite up to the emergency task of responding to the HIV/AIDS epidemic. In a few short years, the Global Fund has really made a tremendous difference in the amount of resources that are available for the fight against AIDS, as well as in the way in which those resources are made available to countries really changed the nature of the discussion substantially.

Now, while the Global Fund was getting going and mobilizing resources, the World Bank was establishing major lending programs to address HIV/AIDS in many of the same countries that the Global Fund works in.

So the World Bank has encountered, as we heard actually at our previous event that Martha Ainsworth presented at, during the time that the World Bank's major lending activities, through particularly the multi-country AIDS program, have been going on, the work of the Global Fund has been getting up to speed, really changing very much the environment, both globally and within specific countries.

So I think that what we have is perhaps a story not only of comparative advantages, we will hear, but of what might be called dynamic comparative advantage, as the conditions and the relative costs and opportunity costs have changed.

So it is an opportune moment to reflect on what the different institutions are doing, what they could do better, and how they could work in the fight against AIDS more effectively, and we have, as a spark for that conversation, a new report that has been issued and I think you all have had access to it through the internet and we will be hearing a summary of that report today.

So it is as very timely conversation. We have today both the author of the report on the comparative advantage of the Global Fund and the World Bank's programs on AIDS, and representatives from the Global Fund and the World Bank, as well as a discussant, and I will introduce them all now, very briefly. You can see the speakers' biographical information that was made available earlier, and I will introduce them in the order in which they will be speaking.

The first speaker will be the author of the report, Alex Shakow, who, as you can see from the writeup, has been with the World Bank since 1981 as a special policy advisory in the Office of the Director for Policy, Planning and Program Review, and, prior to that, worked with the Peace Corps and USAID.

I think Alex will tell us a little bit more about the genesis of his work on the study and how it was undertaken.

MR. SHAKOW: Please be sure to tell them that I am retired from the World Bank.

MS. LEVINE: And retired from the World Bank. Sorry. Sorry.

MR. SHAKOW: Three and a half years ago. I am not a World Bank employee.

MS. LEVINE: Sorry. Sorry. I should have made that much clearer.

MR. SHAKOW: For the sake of the World Bank, you need to say that.

MS. LEVINE: Okay. All right. Good. Following Alex will be Jonathan Brown, and Jonathan is the operations advisor in the Global HIV/AIDS Program at the World Bank and he has been working closely with partners on donor coordination, donor harmonization, the Three Ones, and many other aspects of playing nicely with others in this complicated field.

Following that will be Christoph Benn, who is with the Global Fund as Director of External Relations. Christoph, have you been there since the beginning of the--close to the beginning, right?

MR. BENN: Close to.

MS. LEVINE: Has medical training and a tremendous amount of in-country experience, so knows the world from both the global and the country levels.

Following those presentations, we will have comments from Celina Schocken, who is with the Center for Global Development as an international affairs fellow from the Council on Foreign Relations. Prior to coming to CGD, Celina was at the Global Fund, where she developed an early alert and response system to identify grants in trouble and continues to be undertaking work on performance-based funding.

So with that brief introduction, I do encourage you to look at the bios that were distributed. We will hear from the speakers in that order and then we will have, I think, plenty of time for questions and answers from the audience.

MR. SHAKOW: Thank you, Ruth. It is a delight to be here. It is particularly nice to be able to say publicly my appreciation and thanks both to Jonathan Brown and to Christoph Benn, who actually commissioned the study, but I want to be very clear they are not responsible for anything that is written in the report or anything I may say today. So they are absolved of responsibility for the contents of this paper.

The task that I was given grows out of the Global Task Team report, as most of you know, I think, and it was really quite a narrow task in the sense that it is only to look at the World Bank and the Global Fund HIV/AIDS programs, with the intention of seeing where the comparative advantage of each institution lies, with the intention of eliminating overlap and duplication and that sort of thing.

It does not cover, despite the fact that there are obviously other players, such as PEPFAR, who are very big players in this game, it is specifically limited to these two organizations and to the AIDS program, although I think that many of the recommendations that I have made and that others are making applied, in the case of the Global Fund, to the other diseases, as well; but, in any case, my focus was only on the AIDS programs of the two organizations.

I also want to express appreciation for the really terrific cooperation that I had from the staff of both the World Bank and the Global Fund, and, in addition, the vast number of

people outside the two organizations who have a knowledge and interest in this area, some of whom are in this room today.

But I talked to about a 130 people during the course of this study and I discovered, since this was not an area that I had focused on before, that there is just an enormous number of people who have an expertise, who have been working in this area for a long time, who are very knowledgeable.

And the more I got into the subject, the more I discovered that there was an awful lot to read and an awful lot of people to talk with and by talking to a 130, I just really scratched the surface. But it was, for me, a fascinating opportunity to learn an awful lot about these two institutions, but also very much about the subject area that inevitably you encounter when you start looking at how to deal with the AIDS problem around the world.

The many studies that have been undertaken in the last year or so are also very important. The McKinsey people, the DFID staff and some of the people that work for them, the Abt Associates, Uma Lele, the OED report that Martha did. I mean, there is an awful lot of work that has been going on, much of it leading toward some of the same kinds of conclusions, particularly focused on the way in which the country programs of the various health initiatives and health programs are intersecting, in some cases, creating difficulties for, in many cases, I guess, according to these studies, creating difficulties for the borrowing or the recipient countries.

So I think this is only, therefore, to be seen as a snapshot. I mean, I relied very heavily upon these studies, but people who are looking at this area need to know that there is much more to look at than my own study.

I also consider that the Global Task Team meeting was a very significant kind of watershed event. Jonathan, who was a key player in that, can tell you much more about it, but I think in terms of joining with this whole movement toward alignment and harmonization that the OECD DAC people, in the bilateral and multilateral aid field, have undertaken, combining that with these people working on AIDS, whether they come from the public sector or from NGOs or from other organizations, all seemingly working toward some similar conclusions about how important it is to get unified in this work, to try to avoid the kind of overlap, duplication, difficulty in an already extremely difficult field that the international institutions and the bilateral aid agencies themselves may contribute to.

So I think the GTT report, of which this study was one piece, already laid out many of the themes that at least I think are quite well agreed to and certainly found their way into my report.

My sense is also that the agencies, in this case, the Bank and the Global Fund, are very much aware of what is needed; that what I am calling for is not a radical new structure, elimination of organizations or anything of the kind, that this, I think, is consistent with the views of many of these other studies, including, for example, the DFID study, which is

calling for changes, improvements, strengthening here, shifting around a bit, but not a radical restructuring, and that is consistent with my study.

I think that most of the ideas that will be found in this paper, if you ever get around to reading the 65 pages that I have put together, will find that the agencies themselves are aware of many of these concerns and are, in many ways, beginning to act on them, and I am sure that Christoph and Jonathan will talk about many of the things that they already have underway, and Jonathan, I am sure, will mention the global program of action on AIDS that the Bank has, which covers, in a very comprehensive way, many of the issues that are covered in my report.

So perhaps I am naive, and there are people who have said this over the years, but I am optimistic that the forces for change are moving in the right direction; that is, there are, obviously, lots of factors that came into the formation of the Global Fund, as Ruth has already mentioned, that created an environment where maybe the cooperation wasn't as strong between the Bank and the Global Fund as it might be.

But I think that now we are in a situation where the staff, at least the many staff I have spoken with, and, as I say, I spoke with probably about 75 staff, or maybe more, within the organization, people working in operations and other parts of both organizations, and I really feel that they feel now the importance, for all sorts of reasons that I won't go into here, about the need to collaborate and cooperate much more closely than they ever have before, and I am hoping that that is indeed the case and that I am not being too optimistic.

I am not so naive to think that cultural change comes easily in organizations. I am not suggesting that it is going to happen overnight. It is going to take a lot of hard work, but I think that the desire and the goals are there and there is a lot of potential cooperation.

My report describes in considerable detail the great assets of each of the organizations, but it also goes into what I consider, at least, to be the weaknesses and looking at those as a way to try to build comparative advantage as best as one possibly can, consistent with this movement toward greater alignment and harmonization that is reflected in the Paris Principles that the OECD countries have put together and confirmed by many, many other institutions and organizations.

I am not going to try to describe all these assets. I mean, it goes on for a long time in the report. But if I had to point out one weakness in the Global Fund that I would particularly cite that has a great influence over many, many of the aspects of its work, is the way it was conceived in the first place, and that is that it has very few staff, considering the amount of money that it has available, and that then creates a real--I mean, there are just many different ways in which that plays out in the way in which its program is developed.

As a result, it seems to me that that is part of what needs to be done, is they need to adapt very quickly, now that they are growing bigger and bigger, to working without very many staff, because I don't think that is going to change, nor should it.

This is a real experiment and trying to make the system work very differently than it has in most other development institutions.

And for the Bank, I would say that probably, in my sense, and I was there working for 21 years there, I think that the Bank has had some difficulty in taking the enormous number of resources and the very great strength that it does have in making them really come together in an effective way, in all ways, important, as many of its assets are.

So my key recommendations actually go on to 15 pages in length, and so I am not going to talk about all of them, but talk just about a small number here today.

First, and one of the key themes, is that both organizations have got to work on making the Three Ones, these famous Three Ones much more concrete; that there has been a lot of lip service paid to them and steps taken to try to implement them, but there needs to be a lot more done.

A lot is underway, but it means clear guidance to the staff is needed. Wherever possible, the National AIDS Councils and the CCMs, country coordinating mechanisms, need to be brought together wherever possible. I know there are problems because it includes other diseases, but in any case, there needs to be ways to avoid putting increasing pressure on these countries to have everything moving--trying to have things moving in a similar direction and under some unified approach.

Same thing true in terms of a common procurement system and a common monitoring and evaluation system. At the moment, neither of those exist, although steps are being taken towards them.

I also think it would be useful to select a lead donor in each country. I mean, it would depend very much on which donors have the greatest strength, but some lead donor to help coordinate the work that is being done by all donors.

I also want to note, this is not something for the Global Fund and the Bank, but that it is very important to recognize that coordination, collaboration, alignment, harmonization does not come cheap and that, for the most part, the bilateral aid programs have been saying to the Global Fund and the Bank, you know, harmonize, align, do what needs to be done, but not putting very much in the way of resources behind it, and I think that this is somewhere where the bilateral aid programs, which have started to put a little bit of money into this under the coordination of UNAIDS, I believe, could do a lot better job of just deciding that some money is needed to help strengthen these systems. Otherwise, they are not going to work.

Under what I call an action plan for the Global Fund, there are quite a few recommendations, but I am suggesting that most of these can be done or almost all can be done without forsaking the many basic--the key basic principles that drove the creation of the Fund in the first place.

This includes being country-driven. It includes not having a lot of field staff, and so on and so forth. But it will require adaptation to live within those principles.

I also think that they should focus, the Global Fund should focus particularly, given its comparative advantage, on AIDS prevention and on procurement of commodities and drugs essential for treatment.

As much as possible, they should rely on and be part of coordinated programs, whether these are sector-wide assistance programs, SWAPs or pooled funding, or some other form, whatever it may be, of efforts that draw together, under the framework of an action plan for the country, worked out with other donors, an effort to try to avoid again creating separate channels, separate programs, uncoordinated programs.

Again, easier said than done, but it has been done in a number of countries and it should be done in all countries gradually, as the capacity of these countries increase and as the donors begin to put their resources where their comparative advantages are.

There is also in the Fund need for clear guidance and management support to the staff. This has been very hard to do in the early years of the Fund. Everybody has been so busy and there has been a lot of independence as the people went out and did what they needed to do, but it is really now a matter of trying to get a little bit more system, a little bit more structure in place, which, again, I know that they are trying to do.

I specifically suggest that the Global Fund not include a special health services or health systems strengthening category in their request for proposals, as they did in this last fifth round of proposals.

The reason for that is not that health systems are not important, on the contrary, health systems are crucially important, but it does not reflect a comparative advantage of an organization that doesn't have a lot of staff, doesn't have the diversity of staff, has nobody in-country, cannot really commit for the long term, variety of reasons why it doesn't make sense for them.

On the other hand, it does make sense, as the Global Fund is putting proposals together or, let us say, as their principal recipients and their CCMs are putting together proposals, that they be asked to answer in what way does this particular proposal have an effect on the overall system, and it is crucial that these various steps that are taken not be ones that are going to weaken the overall system still further.

And the systems, as you know, in most of the very poor countries, and I am talking particularly in this report about the very poor countries, are abysmal and these separate, individual programs often tend to detract from what does exist in the way of strength for the system as a whole.

So why system strengthening has a very high priority, and I don't want anybody to get the impression that I think that it doesn't, I don't think the Global Fund should have a special category for this purpose.

That is controversial, I know, in some quarters, and I am happy to talk further about it, if it is of interest to you.

On the other hand, that is, an action plan for the Bank, my key recommendation is that it should increase its priority for strengthening health systems in the poorest countries. This is very difficult work. It takes a long time. There are a multiplicity of skills and expertise needed.

The Bank should have that capacity and, at various times in its history, has, to some degree or another. It has not, I think, lived up to what its potential is in this area, and what I am really suggesting is that now is the time; that there is a window of opportunity, there is a coalescing around the need for doing something in this area.

Recognizing how hard it is, what it is going to be, even in the countries it is very difficult, this is an area that I think the Bank should really aim to focus on, and not to suggest that perfection is what is needed in every case. You can't get perfection in this area. It is going to have to be a lot of trial and error, but it needs to be given a lot more attention.

This would also provide a framework in which others could work. And when I say that the Bank should take the lead in this area, I am not suggesting, as some sometimes suggest the Bank does, that the Bank do everything itself. It has to work very closely with others and, in particular, WHO.

There is no point in the Bank having the expertise that the WHO should have and WHO trying to get the kind of expertise and the diversity of skills that the Bank should have. There needs to be clarity on this and they should not be duplicating one another.

In order to get this done, the Bank President is clearly going to have to be involved. He is going to have to help in the setting of priorities. This cannot be a business as usual business. There needs to be encouragement of the Bank from the countries, the member countries of the Bank, from its board members, from donors, from the international institutions, because the Bank has, as many of you know, a very hard time making decisions about priorities, because there are so many priorities and it covers such a vast area.

So if this is going to get attention in the degree to which it needs, then it is going to have to get a lot more support from outside. It cannot be done solely by people inside the Bank who believe in this urging that it be done.

This does not preclude the Bank working on prevention and treatment, of course. I mean, the Bank is doing a lot of good work in this area, but where resources are scarce, at least it is my view that the tendency or the pressure and the emphasis in the Bank should be on health systems, and, in the Global Fund, it should be on prevention and treatment.

If this is going to happen, the Bank has a lot to do internally. It is not saying that can be done overnight. It is going to require incentives, budget organization and staffing decisions that are not going to be easy, and I recognize that, but I think it is time for the bank to bite this particular bullet.

The Bank also needs to focus on analytical work, monitorable indicators for evaluation, applied research and other areas that it, again, has a great strength in and others should rely on it much more to take the lead in some of these areas, and I think, again, these are elements that are in the global plan of action.

So as far as I am concerned, and, of course, I have only the responsibility of producing this report, not making sure that it gets implemented, but it seems to me that the Bank President and the Global Fund Executive Director need to get together fairly soon. They need to commit themselves to work on the directions that are laid out in this paper or at least debate them and determine which ones fit and which ones don't, and that they then enunciate this very clearly to their staffs and to the world, and that they also then set up very strong relationships with the other partners that are going to be necessary.

There are a variety of other things that can be done, annual workshops, country models that can be used, and a lot of detailed things, which I am sure Jonathan, if you ask him, will tell you about, sharing reports and other such things.

So that is this report, in essence. There are about a 190 footnotes that go with this report, too.

So if you ever start reading this, you will find that there is actually quite a lot of valuable information for people who care about this subject in the footnotes, where I was just trying to capitalize on the many, many wonderful things that people have been working on and from people who have much more expertise than I.

Thanks.

MS. LEVINE: Thanks very much. Jonathan?

MR. BROWN: Thank you, Ruth, for providing this forum for a public discussion of Alex's very good paper.

I would first like to recognize someone in the audience who has had more to do with the Bank's program in HIV/AIDS than anyone else, and that is Calisto Madavo. In the mid 1980s, he was the Country Director for Eastern Africa and funded the Bank's first HIV/AIDS program in Uganda, and then, as Regional Vice President for Africa, when the Bank was, I think it is fair to say, in denial about HIV/AIDS, really brought it forward and started the Bank's multi-country AIDS program for Africa, which allowed us to increase our lending from five to \$10 million a year for HIV/AIDS in the 1990s to 250 to \$300 million a year beginning in 2001, and we have maintained that level of funding for four years.

So it is a great tribute to Calisto and his determination to change the nature of the Bank.

By coincidence, today is also the day when we presented to our board of directors the Bank's program of action in HIV/AIDS, and, specifically, the implementation plan, and the program of action is outside.

Alex, you will be delighted to know that of the 15 or so executive directors who made comments, basically, endorsing the program of action, about half of them mentioned the Shakow report, complimenting those areas in which we had done well and asking very pointed questions about some of those areas in which we face challenges.

Christoph and I have decided that he will talk about substance and I will talk about process, how we got into this situation of commissioning the Shakow report and why it is so important for us.

So let me just show you, as all Bank staff members do, some slides with statistics. This is a ten year history of the HIV/AIDS epidemic in Thailand and it shows that within one decade, you, in fact, have had three different epidemics, the first starting with men becoming infected with contact with commercial sex workers; then the second epidemic of women becoming infected from their husbands; and, finally, a growing epidemic today of men having sex with men.

So this is a tremendously dynamic, complicated infection in every single country. Therefore, unless we really know what we are doing and can help countries specifically, we are not going to be doing our job.

The second is that things are changing very quickly in HIV/AIDS programming, and this shows the dramatic changes in the costs of treatment. The high cost scenario has the cost of ARV drugs at a \$1,000 and the total cost of \$1,700 a year.

Now, with the use of generics, of course, that cost comes down dramatically, and many donors are focusing on funding the cost of ARVs. Yet, the more people on treatment, the more important becomes these associated costs, many of them associated with the costs of health systems.

So unless the donors are prepared to finance programs comprehensively, you are going to have a mismatch between the amount of money going into ARV drugs and the amount of money needed for comprehensive treatment.

Also, this graph shows the amount of resources that UNAIDS believes is needed to fight the epidemic, the amount of money that has been committed, and between the two, you have the gap in resources.

But on the bottom line, you have the amount of money that is actually being disbursed and between these two lines is what we call the implementation gap.

Our feeling is that unless you have better performance by countries and better performance by donors, this implementation gap is not going to be closed; and, if you can't close the implementation gap, donors are going to begin asking questions about why they should be providing these huge sums of money, last year some \$8 billion.

So insofar as better coordination, harmonization leads to more effective programs on the ground, we have a very urgent task in front of us as donors.

Finally, this is the burden of all the donors and stakeholders on one country in Africa. It happens to be Tanzania. During the Global Task Team, several of the countries, including the Major General who heads the AIDS Commission in Tanzania, said to us, "Look, we can't even do our job, because we are spending all of our time dealing with donors, providers of technical assistance, big, large, et cetera. Unless the donors can do something about this mess, we simply can't function."

So in April 2004, the donor community, in particular, PEPFAR, the Global Fund, the World Bank, the Government of Great Britain and others, agreed that we had to do something to support countries, and so we agreed on what we call the Three Ones.

One, HIV/AIDS strategy that provides the basis for concerted action by a country and by all the donors; second, one national HIV/AIDS coordinating authority to make sure that all the money is running through at least a process, and this should be multi-sectoral in nature; and, finally, one agreed program monitoring and evaluation system.

So what we are trying to help and evaluate is not individual donor programs, but the national effort.

In principal, the mess you saw from Tanzania would be transformed into a much more logical and less burdensome for a country framework, and, in fact, this is what we see in a country like Rwanda, where the country really is in control of the donors and we are all working within the framework of the Three Ones.

The challenge is that all countries are not like Rwanda and all donor staff are not like the staff who work on that country. So that is what we are trying to get to.

A year after the Three Ones were launched in March 2005, the donors got together again in London and took a census of the progress that had been made, and what they saw was not very encouraging.

There may have been progress in some countries, but there certainly was not systematic progress across countries or even within donor organizations.

Therefore, they set up three working groups that were supposed to make specific recommendations within 80 days, one on harmonization of programming and financing, that Mark Dybul of PEPFAR and I co-chaired; then, one on harmonization of technical support; and, finally, harmonization and monitoring and evaluation.

I am going to be talking basically about the results of the first working group. The working group was composed of about 25 people, recipient countries, civil society, donors, providers of technical assistance, et cetera.

The first thing that came out was better integration of HIV/AIDS into broad development frameworks, such as the poverty reduction strategies and the medium term expenditure frameworks; that, at some point, AIDS had to be assured a long term sustainable support and the best way to get that at the country level was to make sure that it had its appropriate place in PRS's and MTEFs.

In fact, the first workshop, seven countries, to get better integration of HIV/AIDS into the PRS was held under the leadership of UNDP, with support from the UNAIDS Secretariate and the World Bank in December, for seven countries, and now UNDP is financing the follow-up activities.

So that is one part of the GTT that is actually starting.

The second was the recognition that if the donors were to accede to the request by many recipient countries to move from project to program financing, countries would have to have better national aid strategies that are prioritized, evidence-based, strategic, comprehensive, and had annual action plans that didn't sit on the shelf, but actually became implementation mechanisms.

So the GTT process asked the World Bank to take the lead, along with other UN agencies and the Global Fund, in setting up a service to help countries do this, and we are in the process of doing that.

There were then a whole series of very specific recommendations about how the Global Fund and the World Bank could work better together in support of coordination at country level to ease the burden on countries and to show, as Ruth said, that we could play together nicely.

The first thing is that we both committed ourselves to try and align our funding with national cycles and national action plans.

The second thing we pledged to do is if we were encouraging countries to have joint annual program reviews, instead of having multiple supervision missions by individual donors, to have one annual review process in which all the donors would participate, that the World Bank and the Global Fund had to set the example by attending these annual reviews.

Then there were a whole series of institutional and fiduciary assessments that both the Global Fund and the World Bank insisted upon, often for the same principal recipient. So we said, look, if we have the same principal recipient, why can't we use the same common financial management and procurement assessment, instead of forcing governments to do it twice.

In a number of countries, both big and small, the Global Fund and the Bank have agreed with the government wishes that the funding for both organizations be done through the same implementation process, and whether this is a polling or coordinated parallel financing, it certainly has to be done together, and I think that we all feel that coordinated parallel financing is just as effective as pooling of funds.

What is important is that we work together within a national strategy rather than if we decide to pool funds, which has its own problems.

Then a number of people in the working group said, you know, we are not sure about this relationship between the World Bank and the Global Fund; I mean, you have agreed on the whole number of things, but we would like to have a much more serious look at what are the complementarities, the comparative advantage, the overlaps between the Global Fund and the World Bank.

So together we commissioned Alex Shakow. As he said, he interviewed about 75 people in both institutions, but it is his report.

In the World Bank, I was the only person to read the first three drafts of his report. I gave my comments, and then I said my review is finished and he finalized the report and gave it to us. In fact, I hadn't read the report until last week. So it really is his report. It is not something which has been cleared by the Global Fund or the World Bank.

Finally, an outcome of the work was sharing information and developing concrete steps, both at country level and globally. Fortunately, the United States took the initiative to invite the Global Fund and the World Bank to come to Washington last month and have in-depth discussions on six countries and, also, discussions on another ten countries. I think, wasn't it, Carl, 16 together?

And this was really because at least in the Global Fund and the World Bank, we put a lot of effort into this, I think you brought 15 people to Washington, we brought about ten people in from our country offices.

At least half of the problems with HIV/AIDS programs are not really country problems, they are donor problems, and many of those problems we can ameliorate by simply working better together, and I think that that is what that two day session showed, because there really are examples where the three agencies are working very well together and we just have to make sure that we work like that in every country.

Finally, what are the World Bank's program of action activities as we look forward? The first thing is that when Calisto was Vice President for Africa, we were the largest donor in HIV/AIDS. Well, that is no longer true. You have the Global Fund, you have PEPFAR. In many countries, DFID is a larger funder than the World Bank.

So our funding is no longer as important as it used to be. So what we have said is we will be a gap-filler. We will fund countries, programs, vulnerable groups' activities,

including operating costs, that other donors may not want to fund, but give the other donors the priority to fund what they want to.

Now, that then brings us to the whole question of the health sector, which is not gap-filling. I mean, that is an entirely different subject.

We talk in the global action program about supporting health systems, but I think it is fair, Alex, that we did not go as far as you have suggested in your support.

The second area that we will work on is helping countries improve their strategic plans and annual action plans. The third is accelerating implementation. The Bank's program in Africa in HIV/AIDS was dispersing at about 90 percent of our original estimates, which is far higher than our normal programs. So we are trying to bring that Africa experience around the world.

The third is helping countries build monitoring and evaluation systems, because that really is a key to working together; and, finally, impact evaluation and analytic work to improve HIV/AIDS knowledge and improve programs.

So we are trying in our program of action to move beyond just funding and to look at these other activities, and, certainly, Alex's report will help us a great deal in moving forward.

Thank you very much.

MS. LEVINE: Thank you very much. Christoph?

MR. BENN: Thank you very much. I will speak from here. Let me first of all thank both the co-organizers of this workshop, Friends of the Global Fight and the Center for Global Development, but secondly, in particular, to thank Alex for the work he has done, because I think really when we commissioned the study and you agreed to do that, Alex, you might not have known what you were getting yourself into.

MR. SHAKOW: That is correct.

MR. BENN: It was a highly complex task and sometimes it might have felt like a little bit of a minefield in which you were operating, and I think really you did a great job and you deserve our gratitude for what you did.

I will come straight to the recommendations of your report, and, actually, the recommendation I like best, Alex, is that you said we need more staff. So I thought now I will invite Alex to the next board meeting when they are discussing budget. So I really like that recommendation.

But more seriously, let me go through a number of the recommendations and findings of that report.

First, I think it is important what Alex said, that he did not find really significant overlap, because that was also a possibility that you would find that in many countries we might be funding the same things and the same programs and so on, but that does not seem to be really the case, because the point is the need is far greater than any of the resources that the World Bank, the Global Fund, including, also, PEPFAR and many other players, might invest in those countries.

We are far from meeting those needs and, therefore, the overlap is not so much the issue as is the coordination, as both Jonathan and Alex have indicated. This is, indeed, the big problem.

I wanted to address in my presentation really the kind of action plan and the recommendations that were specific to the Global Fund, so that you have an idea what we think about these recommendations and what we might do.

You said we should stick to our mandate as a financing organization, and I think that is indeed true. That is the intention, I think, of the Global Fund secretariat and board, and there is no intention to move away from that. So we have a small staff. We have no country presence. There is no intention to establish country presence, and we just want to be the organization that makes financial resources available for countries. It is a country-driven process to which we react.

Yet, sometimes it is difficult, also, for our staff in Geneva to exactly define where to draw the line. If a program is going on very well, then it is fairly easy. You disburse the money. We get the reports. We see the results and the next disbursement is made.

What happens if a program runs into problems? We identify the problems, who is then responsible to fix that. That is where we kind of model then us for the partners to jump in. Partners can be other UN agencies. It can be actually the World Bank. It can be bilateral partners. It can be NGOs who provide technical assistance.

But for our portfolio managers, sometimes it is difficult clearly to define what can you still do, can you help them to manage the program or is it totally hands-off. And I think we take these recommendations very seriously, but in practice, sometimes it is not that easy and we will need to work more on that.

You recommend that we focus on AIDS prevention, on the procurement of commodities and on treatment. I think that is indeed what we are doing on HIV/AIDS, and then nothing else, in a sense, and that applies in the case of the Global Fund, also, to tuberculosis and malaria.

We do know that the study is about HIV/AIDS, but we think we can apply many of the lessons also to tuberculosis and malaria, and they are equally valid.

We very much see ourselves as part of a coordinated effort, and Jonathan has already described a number of the initiatives that were already undertaken, since we both work on the

GTT, and I think the report also acknowledges that some progress has been made in this respect.

But now coming to the, I think, core of the report, as I see it, the question of health system strengthening and whose role is it to do that.

The Global Fund, in the first four rounds of its funding, has supported health systems in a certain way. That means when we were receiving proposals and we supported programs, we encouraged those programs to include issues like training of staff, salaries of staff, recurrent costs, laboratory equipment and so on, on top of the purchase of commodities.

Commodities is about half of what we are spending our money on, but the other half goes into what you might define as part of health systems. We are also paying, in many cases, for monitoring and evaluation for some administrative costs and so on.

So all of that you might call as health systems, in the broadest sense, but it is always linked to disease-specific programs.

Then in the fifth round, we opened a special category and we encouraged countries to submit proposals that were focused on health system strengthening. So it was meant to support ongoing efforts on the three diseases, but it was a separate category.

So the big debate then was has that been successful, is that really the mandate of the Global Fund, or has that gone too far.

The proposals submitted in that category on health system strengthening were not very successfully. Actually, only three were approved by our technical review panel, and that was already an indication that maybe that was not the best approach.

Alex's report now made it clear that your recommendation is that for the sixth round of funding that we are anticipating for this year, 2006, we should not include this specific category again. This is not a decision that the Global Fund secretariat can make. This is a decision that is made by the board and its committee, and the portfolio committee has actually met in January, has discussed this question, and it seems it is pretty clear that the recommendation is that there will be no special category on health systems strengthening in the six round of funding.

So we go back to the model that we had in the first four rounds.

So, again, to emphasize, it is not to say that there is no investment in what you might call health systems in the broader sense, but in an integrated approach, strictly related to the diseases, and that includes important areas that are under a lot of discussion at the moment, like the need for human resources, the question of brain drain and how that can be prevented to provide incentives for staff to stay in the countries, because it is very clear, with the kind of inflow of financial resources now from all different organizations, we need competent staff that can work with those resources and implement that.

Let me make a few comments now on the question of health system strengthening and universal access to prevention, care and treatment.

Last year, both at the G8 Summit and at the UN General Assembly, world leaders agreed on the principal of coming as close as possible to universal access to prevention, care and treatment on HIV/AIDS by the year 2010.

This is an extremely ambitious goal. This is something that I believe has never been tried before, and we have to recognize the challenges in that, but at the same time, it is, obviously, also, quite exciting, because it does offer, for the countries hardest hit by the pandemic, the opportunity that all people in need will get access to the most essential services, prevention, care and treatment.

For this, obviously, we do not need just more commodities, we do not just need more drugs, but we clearly need functioning health systems, because otherwise we will never get close to universal access.

My experience so far is that certainly for the Global Fund, but it might also apply to the other major funders, that so far we have mainly used the existing health infrastructure. That health infrastructure might be pretty weak in many of the poorest countries, but there is an infrastructure, there is some capacity, and that has been utilized.

We have made, in a sense--we have used the existing structure so that it can function more efficiently. Let me give you one example that I know best, because I was in charge of a rural hospital in Tanzania for a couple of years. That was 15 years ago.

That is existing infrastructure. It is a simple hospital, but it is providing comprehensive services for the population itself. Already, 15 years ago, about 30 percent of my inpatients were HIV-positive. There was really not very much that we could do for them. We provided some treatment for opportunistic infections and so on, but we saw most of our patients die.

Now, this very hospital, very remote, rural area, is providing antiretroviral treatment for its HIV/AIDS patients in Tanzania. It is using exactly the same infrastructure. There has been not much investment in that, but they are receiving drugs. They have received some training. The laboratory has been upgraded. They have now a CD4 counter. So pretty basic investment in that, and you can implement.

I think that is a good example of what the Global Fund can do, but also I think what the World Bank MAP program can do, what PEPFAR is doing. That kind of infrastructure is what we use.

But that will not get us close to universal access, because there are too few of those institutions and if we are serious about scaling up, about extending services, then we need to invest in the health infrastructure in a different way, and that is where, for me, Alex's

recommendations become so important and the division of labor and the roles of the various players, because it would now not be the mandate of the Global Fund to expand that infrastructure, to invest in hospitals and health centers, to invest in medical schools and nursing schools and so on.

That is not the mandate of the Global fund; yet, we will need that. Otherwise, universal access will remain empty rhetoric. Now, the big question is how can that be done, and I think, indeed, the answer is we need here a leading role of the World Bank.

I don't understand the report saying it is only the responsibility of the World Bank, but we need a lead organization here, that has this capacity, that has the long term view, that can support countries in that, and, indeed, I agree that this should be the World Bank.

Whatever we do, as Global Fund or as World Bank, it should be built on national strategic cost plans, as the Global Task Team has said. It is not that we go in and ship in drugs where nobody has asked for those drugs, nor would the World Bank ever build a hospital or any infrastructure if they haven't been asked to do so.

But we need to encourage and support countries to come up with these national plans and in that, they will identify what resources they already have, including the domestic resources on health care; then take into account the additional resources that they receive from various sources, and then there will be a gap that they cannot fill and that is, I think, where then organizations like the World Bank, like the Global Fund come in, and that is how I could see a much better functioning health system evolve.

So the responsibility is clearly, for me, with the countries, and we will only react and continue to react on request from those countries.

Rwanda was already mentioned here as an example. It is also in the report and I think that is a very good example that it can be done if the countries take leadership in that. Then the whole problem of coordination does not disappear, but at least it is diminished, and it can be managed if there is the leadership at the country level.

So I think with these recommendations, we might be facing really very exciting opportunities here and I really hope that we can grasp those opportunities, because that would then really be for the benefit of many people around the world.

So in that sense, again, I am grateful for this report and I commit for the kind of Global Fund secretariat that we take these recommendations very seriously and that we have all the intentions to implement that.

Thank you very much.

MS. LEVINE: Thank you. Celina, a few words, and then we will do questioning.

MS. SCHOCKEN: I would like to start by discussing a few of the very important themes raised in the paper, there are certainly too many to go into, and then ask a couple of questions.

I found that I agreed with the fact that the AIDS funding model is basically right, that the problem is really in implementation, the implementation crisis described by UNAIDS.

Poor coordination has very high costs, from duplication of activities, a lack of investment in key areas, high transaction costs between the partners, high reporting burdens for the countries, and distortion of national plans and priorities.

The Global Task Team recommendations also propose that there be a clarification of the roles of the CCM and the NAC, where requested by the country, and, Alex, your report went a bit further by proposing, in some cases, the unification of the CCMs and the NACs.

I have some concerns about this because of the problems this could pose for malaria and tuberculosis. The Three Ones approach makes a lot of sense for AIDS, but if we expanded that out to TB and malaria, we could end up with nine threes, which would be a bit complicated. So I think we need to work that out.

The issue of coordination seems to be really a big one and I think it is time to be moving beyond ad hoc trust-based relationships. The Global Fund, in particular, the World Bank, to a lesser extent, is very dependent on its partners for the provision of technical assistance and for coordinating efforts in country, because the Global Fund doesn't have a presence in country, and I think that the Global Fund should be doing more to clarify these relationships, making agreements between the partners and everyone's roles and responsibilities much more clear.

I don't think that we can continue to view coordination as an optional and a free activity. I am struck from the time that I spent in country, particularly in Rwanda, by the workload of the Global Fund portfolio managers, the World Bank Task Team leaders, and the U.S. Government field staff, who are all clearly overwhelmed by what is expected of them.

These people are incredibly committed, but they are so overworked and the responsibilities are increasing rather than decreasing.

Asking these people to add new responsibilities of coordination involves additional e-mails, meetings, conference calls, et cetera, and we can't assume that these are free. If senior management is committing to improving coordination, then senior management needs to allow the staff time to do these additional tasks, which I haven't seen yet.

I think there is a real issue of burnout from a lot of these field level staff and we need to pay attention to this before it becomes a bigger problem.

There is no question that encouraging field staff to promote the three ones is a good idea, but rather than just telling staff they need to coordinate better, management needs to acknowledge these transaction costs and give their staff the time and the training to do these additional tasks.

The comparative advantages of the Global Fund in financing of prevention and treatment programs for AIDS makes sense. I would hope that better guidance from the Fund and some experience under their belts, that the countries could integrate health system strengthening better into their proposals for the specific disease components, because there is a real concern that health systems are very stressed by the amount of funding coming in and they really do need these additional funds, even if it is not in a separate component.

The Global Fund has an ongoing tension identifying grants at risk and getting involved in technical assistance with a country-led approach. This is a real challenge for performance-based funding, under which the Global Fund will and has cut off non-performing and poor-performing grants.

Some countries are overwhelmed by the increases in AIDS funding and they need some technical assistance, particularly in program management, but TA needs to be used and it needs to be led by the countries.

Finally, we need to acknowledge that the countries are not all the same. The approaches really need to be tailored.

There are a few countries that are receiving funding from the Global Fund, the World Bank and PEPFAR, and they have huge amounts of funding and they face large challenges to their capacity, but there are many countries, and probably the majority of the countries, where the Global Fund or the World Bank is, in fact, the only major donor, and these countries have different challenges and we need to approach the countries quite differently.

So I would like to kick off a few questions for the speakers before we open the floor.

My first question is about the bilaterals. I would like to have some ideas about how we could get the bilaterals better involved in the coordination. They are not a part of this report, but obviously a lot of the findings are related to them.

I would like to know from Jonathan and Christoph what your organizations are doing to reach out to the bilaterals and to improve coordination.

I would also like perhaps some comments from you about the costs of coordination on your program and your field staff and what you can do at the senior management levels to promote coordination and to reduce the burdens on the staff that you are asking to coordinate.

Finally, I am interested in the underlying issue beneath today's discussion of promoting a country-led approach. I am wondering how improving donor coordination and

streamlining the ways that the Global Fund and the World Bank work together is going to contribute to the goals of national ownership and what your organizations are doing to increase ownership and how your proposals are contributing to that goal.

MS. LEVINE: Let me just ask that you give fairly brief responses, so we can take some questions from the floor.

Christoph, do you want to reflect a little bit on Celina's good questions? Then if people want to start standing up to ask questions, that would be fine, too.

MR. BENN: Celina knows the Global Fund so well that she can always get me in trouble. So that is a problem.

Maybe I would kick off with your question on the bilaterals. I think, indeed, in this whole process of the Global Task Team, although many of the bilaterals were part of the Global Task Team, many of the kind of recommendations and requests were directed at the multilaterals, I mean, World Bank, Global Fund, but then, also, WHO, UNAIDS, and so on.

And they were sitting around the table, but I have also the impression they left themselves a little bit out of the whole picture, but obviously bilaterals are extremely important in terms of coordination.

When it comes to how we collaborate and coordinate, I think there are indeed some efforts, but if we would go to the same extent that we have now agree upon with the World Bank, in a sense, I mean, occasional joint missions and so on, informing each other on country trips, if we would do that with kind of 20 bilaterals, it would be simply impossible.

We would actually be faced, I just thought, with similar challenges as many of the countries are faced, who you know have too many meetings, too many reports to write, and so on, because of the multitude of donors, and we would face the same.

I mean, even if our staff wanted to go on joint missions with the bilaterals, it would be impossible to implement.

I know I am not giving a very good answer to your question. I am just raising that as a challenge, that on some occasions it is happening. Jonathan mentioned already the workshop here in Washington, coordination between PEPFAR-World Bank-Global Fund. I know of a few missions together with DFID, but systematically we are not really doing that.

And it would be really a challenge to do that, although it might be beneficial. So no question about that.

Maybe then just one comment, and then I will hand it over. Country-led approach, I mean, that is the basic philosophy, in a sense, of the Global Fund, that we don't try to influence any of the proposals.

We are not going out to the countries, telling them what to do, what to apply for, what the priorities should be. So we believe that we are, in that sense, strengthening the ownership of the countries, but I would also agree that this does not then automatically always lead to countries really taking over that ownership and taking that responsibility seriously.

But our model maybe of performance-based funding, in a sense, helps, because it forces the countries then to kind of take that ownership, because the kind of additional funding is dependent on that.

I will leave it at this.

MS. LEVINE: Jonathan?

MR. BROWN: I think the Global Task Team felt that it was sufficiently challenging to try to get the World Bank and the Global Fund to try to work better together and the fact that we have made progress in a few months, I think, caused the U.S. Government to invite both of us to join with them in looking at a number of countries.

So I think that progressively, if we can show that the Bank and the Fund can work better together, others may join us.

We all agree about national ownership. The problem is that it is very difficult for a country to deal with the multiplicity of donors, with different procedures, processes, policies, et cetera, and unless we can do a better job ourselves, it is very difficult to have country ownership.

So I think that there are things that the Global Fund and the World Bank have shown that they can do and there are a lot more that we can do, so that it becomes more possible for countries to own the process.

But take NEB Seoul, a very small country, where the World Bank has one approach to build national capacity for an HIV/AIDS program and the Global Fund is using UNDP as the principal recipient. A small country, we are doing two different things.

So this is another example of where, if we can work together better, then it is going to promote the possibility of greater country ownership.

MS. LEVINE: I know that there are questions sitting out there. We have microphones set up, if you would be kind enough to stand so that everybody can hear. We have about 10 or 15 minutes for quick questions and quick responses

MR. VOGL: Good afternoon. A quick question. My name is Frank Vogl, and I wear a couple of hats, one of them involving communications, so I will ask a question about that, and another as a person and founder of a group called Transparency International, so if I may ask something about that.

First of all, Alex, it is wonderful to see you doing something after retirement from the Bank.

MR. SHAKOW: I'm not totally decrepit.

MR. VOGL: Alex, public reporting, communicating the results of all this is vitally important to get public support.

Did you look at the comparative advantage of the Bank and the Global Fund in being a voice? I haven't read your report, I'm sorry.

What is the recommendation there? Because we have so many voices in saying all this, so many statistics, sometimes it is confusing.

I wonder if you could comment on that.

The second point, very few things have depressed me as much in the last year as having to participate in editing the Global Corruption Report of Transparency International, which came out last week, and which is focused on corruption in health care, and it depressed me so much because I had not realized before the massive scale of that, including in delivery of HIV/AIDS programs.

I don't know if your report addressed the corruption issue, but it seems to me, from what I read about in the TI report, if that is not addressed by these two organizations and they don't coordinate and have an action plan on it, then a lot of their aspirations may be pipe dreams.

So that is the question. Thank you.

MR. SHAKOW: The Global Fund has an absolutely wonderful website, which is more transparent, more open, more available. I mean, virtually anything, including my report, is available on that website.

But it is very, very impressive and I know that it is one of the action items in the global plan of action for the Bank is to try to begin to emulate some of that, but they have got a long way to go. There is no doubt about it.

I think, Christoph, your website is fantastic and to do this kind of report, it made it a hell of a lot easier knowing that there was that website available.

I did not get into the corruption issue. I think it is a question of whether the--I mean, I was looking at each of the organizations. I didn't find any corruption in either organization. I should make that very clear.

MS. LEVINE: Christoph?

MR. BENN: A quick comment. I was delighted about the question, because on the flight to D.C., I actually read the section in that report of Transparency International on HIV/AIDS, because I was quite interested in that question.

Although there is a box on the Global Fund and so on and we have some accountability measures that are mentioned there, when I read the last part on one country example and how this kind of influx of money and, also, the kind of ARV treatment that we are so passionate about is kind of difficult, almost inviting kind of corruption.

I share your kind of sense of frustration and I don't have an easy answer to that, but certainly a very important issue. We are using the website actually and the transparency around that as one method of accountability, because everybody can check what the money is going for and who is the principal recipient and when as the last disbursement been made.

So that anybody in the country, including media, NGOs, and so on, can check whether what is supposed to be done with the money has been done.

But not to say that we are perfect in that sense and the country that is mentioned there, I mean, we have problems ourselves, I think, also, with the implementation of the grants. But thanks for the question.

MR. SHAKOW: But it is true that the Global Fund has cut of lending to--I'm sorry--cut off grants to specific countries when there are allegations or findings of corruption.

MS. LEVINE: Jonathan?

MR. MOORE: I'm Alan Moore, a fellow at the Global Health Council. A question about the IMF, and any of you can respond.

Some of the advocates, as you know, are raising concerns about the conflict between IMF rules that is created when there is a major influx of money for health programs into governments.

Is this a problem, how big a problem, and do you have ideas for wrestling with it, if it is?

MS. LEVINE: This is a whole other venue. You have to pay a different admission for this one.

MR. HELLER: I am with the other fund and this is a subject which is a very important one and I think we have put a--we spend a lot of time sort of thinking about it and worrying about it, and I think the bottom line is we don't want there to be a conflict and we don't want our targets to be getting in the way of spending on it on health.

Sometimes in a very short term sense, it may be an issue to the extent that money comes in that is not expected and it is not included in the budget, it is not included in our

review, but I think we are making every effort to make sure that such moneys can be spent and that our ceilings and our program targets do not conflict.

As Christoph might know, I have an outstanding request to Peter Piot at UNAIDS. If there is a problem, Peter, tell me which country are you having a problem, and we will deal with our mission chiefs and make sure that we are dealing with it.

So I think it gets attention, but I don't think there is fire where there is smoke. I think we are certainly quite anxious to try to address this issue when it surfaces.

It is interesting. There was a concern expressed by Van Hanlon about Mozambique in the last week or so, and we just sent a letter just today, this morning, literally, to Hanlon, trying to explain exactly how we work and why we do not want this to be a problem, and it will be on certainly one of the Mozambican websites and probably our website very shortly, that letter.

But as long as I'm up here, I might as well ask a question, as well. I hope that answers the question.

MR. MOORE: That does. Is anything in conflict?

MR. HELLER: I'm Peter Heller. I'm sorry. I'm with the International Monetary Fund, the other fund. I won't talk about our gripe that somebody else is using the term "The Fund."

MR. SHAKOW: I want you to know I was told over and over again, and I didn't always fulfill it, by Christoph that we should be saying--I should be saying the Global Fund.

MR. HELLER: Right. Jonathan and Alex, both of you being essentially Bank people, retired and not retired, we are talking about the World Bank, but those of us in the IMF, at least, who deal with the World Bank know that there are many World Banks.

There is the wonderful work being done by your part of the Bank, but we also know that there is the work that is being done by the people who deal with health systems in the Bank, and, in the Africa region, the people who deal with health, and we also know that then there are the people in the country--I know you are not part of it anymore--and then there are the country offices in the Bank and the country directors and the people in the country offices that actually have the budgets in the Bank.

What I worry about is whether or not the priority that you are urging, which I think Jonathan probably shares, for health system strengthening, how do we make sure that that priority is shared by the country directors in country and by the health systems part of the Bank, the part of the Bank that worries about health systems as opposed to narrowly HIV/AIDS?

I have one more question which I will just throw out, which is a point which you kind of indirectly raised, which is the problem of fragile states and where there is a real limitation

in the capacity in the country to coordinate to do what is necessary, and yet where the AIDS problem may be important. But let's first start with the Bank and the definition of the Bank.

MR. SHAKOW: I don't think this is the place to try to go into all of the structural strengths and weaknesses of the Bank, but clearly, as I was writing this, I recognized that if there is going to be a real focus and a higher priority and a leadership role taken by the Bank on health systems, it is going to require a number of important steps, starting with the President.

I mean, maybe not starting, but anyway, the President has got to be very interested in this. There has got to be a decision that this is a priority area for the Bank.

There are a lot of other pressures, as I said before, and if the President doesn't make clear, and particularly with a new President at a time like this, if he doesn't make clear that this is a priority for him, then it is not going to get done, if it is going to be just business as usual.

There is no doubt that the people working on health systems, scattered around as they are, are enthusiastic about all this, but this cannot be left, if I can put it this way, to the health people.

I mean, this has got to be something where the donors put a very heavy emphasis on this. If it is true that this is such a great need, and everybody tells me that it is, then the representatives of the governments have got to start asking about it.

I was pleased to hear Jonathan say that the board members were asking about this, and I presume that particularly what they were asking about was the health sector work and that emphasis.

So there are a lot of detailed possibilities, whether you have a separate unit or whether you put it--I mean, all that stuff, which is important, because the implementation in this is going to require a lot of incentives, a lot of spending of money and doing other things.

It is not going to come about just because somebody says, "Yes, this is important." I hope I have given a few thoughts in the paper about this, but I recognize that the hard part is really implementing it and there are people in this room, including the man sitting next to you, who can tell you how difficult that is.

MS. LEVINE: Jonathan?

MR. BROWN: I have to confess that I have worked in many sectors in the World Bank, including the last five years in HIV/AIDS, but I have never worked in the health sector. So I have a very objective, I think, view of what is needed.

I think that, Peter, you have posed the questions very, very frankly. In the World Bank today, we cannot deliver what Alex has suggested, and he has been diplomatic, but

frank in his writing, and there has to be a major change not just in the priorities, but the way we work, the way we staff, et cetera.

That is what we did for HIV/AIDS under Calisto's leadership. I mean, we just changed the way we work. We brought in people from outside health, like myself, and we did something rather quickly, and they have to have the same sense of urgency and innovation in health systems in order to do what I think Christoph very ably pointed out.

That is, you are not going to scale up to universal access with existing health infrastructure.

MS. LEVINE: Christoph, you wanted to comment on fragile states.

MR. BENN: Right. Just briefly on that question. That is a very important one for us. I mean, for our last replenishment, we produced a report on fragile states, our results so far in fragile states, because the Global Fund is--

[End of audio recording.]