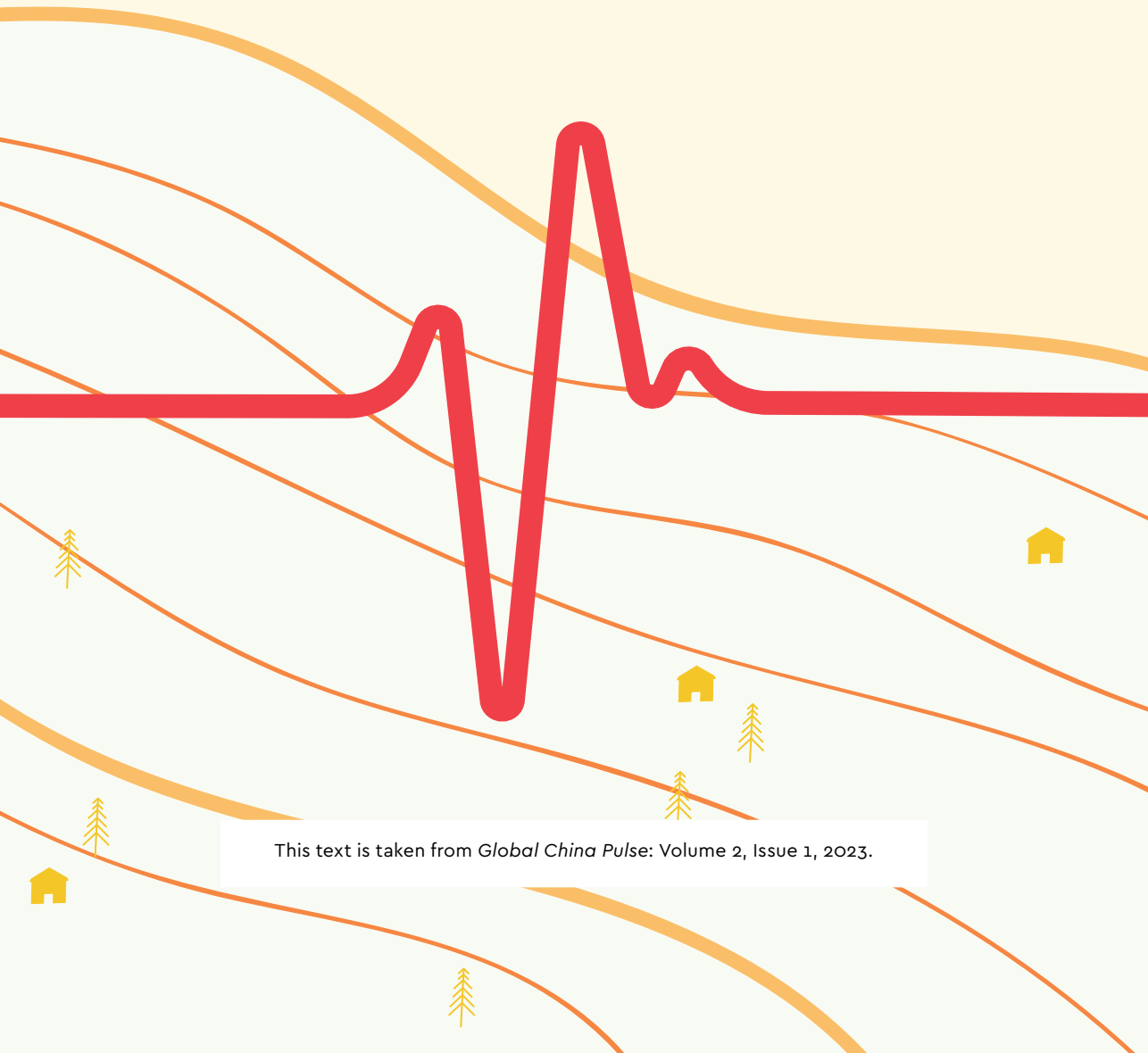


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Summits

Global Fund's Seventh Replenishment Conference hosted by the President of the United States Joe Biden. Source: UNAIDS (CC).

Complicated Entanglements: China and the Global Fund

Elsa FAN

In November 2010, The Global Fund to Fight AIDS, Tuberculosis and Malaria informed China that payments to its HIV grants were being suspended. Six months later, the organisation froze payments to nearly all active grants in China after an internal investigation. This incident elicited conflicting reactions from within China, with some government leaders decrying the suspension as international bullying while civil society leaders applauded the move. This essay examines the multiple responses to this event, exploring how differently situated actors navigate political landscapes. Although more than a decade old now, this moment reveals a complexity in China's global health engagements that remains relevant today.

In November 2010, The Global Fund to Fight AIDS, Tuberculosis and Malaria informed China that payments to its HIV grants were being suspended. After an investigation was launched following complaints about mismanaged funds, the organisation's Secretariat notified the Chinese Center for Disease Control and Prevention (China CDC), the principal recipient of these grants, about several conditions set in the original agreements that had not been met. In May 2011, the Global Fund froze payments to nearly all active grants in China after internal reports raised additional concerns. Later that month, Chinese officials reached an agreement with the Global Fund to improve accounting measures and ensure civil society participation in grants programming. By the end of 2013, the organisation closed its portfolio in China after 10 years of partnership.

I was in Beijing conducting fieldwork on global health interventions at the time of the suspension in 2010–11, and I vividly recall the panic that ensued. Because I was already well placed in China's HIV sector, I was able to observe how this moment unravelled on the ground. Given the contributions the Global Fund had made to China's epidemic control over the years, which totalled more than 300 million USD (The Global Fund 2022), the suspension came as a shock to many. After all, China had been one of the Global Fund's largest recipients of support since receiving its first grant in 2003. For others, the suspension came as no surprise. For years, rumours of impropriety and inefficiency had plagued the organisation's HIV grants in China. As I regularly heard from donors and activists alike: 'Where does the money go?'

This essay explores the overlapping yet contradictory responses to the Global Fund's suspension at the time of my fieldwork. These tensions are not easily mapped along global/local lines, but they do reveal the intricacies of how differently situated actors navigate political landscapes. Although more than a decade old now, this event reveals a complexity in China's global health engagements that remains relevant today. As China expands its presence around the world, I came to understand how this moment signified more than it appeared to at the time and in fact reflected deeper ambivalences about China's emergence as a global player.

China and Its Alignment with Global Norms

Since its first grant in 2003, the Global Fund has played a pivotal role in shaping China's public health landscape. The largest donor to malaria, tuberculosis, and HIV/AIDS in the country, in its decade of activity in China, it contributed upwards of 800 million USD to the control of these three diseases (Huang and Jia 2014). The Global Fund entered China at a time when the central government's response to the HIV crisis was slow and international donors were taking the lead in supporting prevention work. As these donors invested more than 526 million USD in HIV initiatives between 1988 and 2009 (Sun et al. 2010), it could be said that it was international donors that galvanised the Chinese Government to take HIV seriously, politically and financially. Indeed, by 2014, the tide had turned, and more than 99 per cent of HIV financing came from domestic sources (Wu and Pisani 2017). These donors not only provided much-needed resources at a critical moment in the epidemic, but also introduced international standards that influenced national HIV strategies (Kaufman 2012).

Perhaps no other donor had a more profound impact in this regard than the Global Fund. As a key player in global health (then and now), this multilateral organisation grew out of donor governments' discontent with existing systems such as the United Nations (Birn 2014). The Global Fund was created with narrowly defined mandates that aligned cooperatively with the goals of its donors and allowed those donors to closely monitor every stage of the institution's operations (Clinton and Sridhar 2017). Using performance-based or results-based financing, the organisation linked past performance to future support to 'incentivise' recipients to achieve particular outcomes. This mechanism was meant to ensure transparent and accountable spending and, more importantly, value for money in its grants.

It is therefore not surprising that these principles shaped the Global Fund's grants to China. In their analysis of the fund's impact in China, Huang Yanzhong and Jia Ping (2014) show how the organisation leveraged funding to signal certain goals to the Chinese Government. For instance, China's first application to support prevention among people who inject drugs was rejected for failing to include international practices

such as harm-reduction strategies. A subsequent application was also rejected, for lack of political commitment—an oversight quickly rectified by increasing China's cost-sharing contributions.

A priority for the Global Fund's HIV grants to China was the inclusion of civil society organisations in the programs. This kind of grassroots participation has long been valued by the international community as a characteristic of good governance. It therefore made sense for the Global Fund to embed this criterion in its grants to China, where relations between government and civil society have historically been tense. From the outset, almost every round of HIV grants allocated a portion of funding to civil society organisations: 20 per cent in rounds three and four, and 50 per cent in round five. In round six, the grant committed 100 per cent of funding to mobilise community groups to scale up HIV and AIDS efforts. In short, civil society participation became a decisive condition to receive Global Fund grants in China.

The significance of this cooperation cannot be underestimated. Wu Zunyou, the former director of the National Center for AIDS/STD Control and Prevention, conceded that the departure of the Global Fund not only had financial consequences but also led to 'the erosion of the voice of community groups' (Wu and Pisani 2017: 90). Likewise, in a piece written for *The Lancet*, Chinese leaders praised the partnership between China and the Global Fund, crediting the latter with reshaping China's approach to disease management and helping it meet 'international standards of transparency' (Ren et al. 2015: e75).

China's relationship with the Global Fund seemingly helped to align its national HIV policies with global norms. These public endorsements, however, belied the conversations taking place on the ground in the aftermath of the suspension.

The Suspension and Its Politicisation

In the months before the suspension, the leader of a Chinese grassroots HIV organisation complained to the Global Fund's Secretariat that the China CDC had not disbursed the agreed 20 per cent of grant funding to civil society organisations (Huang and Jia 2014). At the time, it was estimated that only 11 per cent of funding had been distributed (LaFraniere 2011). This allegation led the Secretariat to send an administrative letter to the China CDC outlining the terms and conditions that had not been met—namely, the failure to disburse funding to community groups (Garmaise 2011). Funding resumed in late May 2011 after China agreed to, among other things, strengthen accounting systems, repay inappropriately used funds, and ensure civil society participation in the grants. Furthermore, the China CDC agreed to designate a nongovernmental subrecipient to oversee the civil society component of the HIV grants.

News of the suspension was met with varying reactions. Some believed the incident was politically motivated, intended to punish China for taking Global Fund money while it had the financial resources to address the issues itself. A UN officer speculated that ‘it has to do with donor [governments] who think China isn’t giving enough money [to the Global Fund] ... that China is too rich and shouldn’t be getting so much money’. In her estimation, the United States and the United Kingdom were ‘pressuring’ the Global Fund to divert money from China to Africa. Other government officials expressed similar views. Pang Li (a pseudonym), a public health worker, indicated that initial investigations yielded no evidence of financial misuse; as he noted, the ‘Global Fund came in and found nothing’, which led him to conclude that the suspension was ‘just politics’.

These sentiments mirrored those of political leaders, which became clear during a meeting I attended with public health leaders in April 2011, shortly after the HIV grants suspension. A senior public health official, in addressing the suspension, suggested that international donors neither wanted to give China money nor trusted China with their money—that is, they did not believe China should ‘get any money’ and the funding should go to Africa instead. This narrative came at a time when China had accepted nearly 1 billion USD in Global Fund grants, while highlighting its own role as a donor (Sun et al. 2010). In an article published in *Foreign Policy*, Jack Chow (2010), a former US ambassador on global HIV/AIDS, criticised China for accepting Global Fund money at the expense of African nations, which, as data showed, demonstrated a greater need for these resources. At the time the article was published, China was the fourth largest recipient of Global Fund support even as it contributed financially to the institution. In other words, the international community perceived China to be ‘taking out far more than it put in’, which, according to many, was the real reason behind the Global Fund rethinking its grants to the country (Wu and Pisani 2017: 90).

Beyond this narrative, many political leaders resented what they saw as the imposition of global norms on local practices—the ‘Chinese way of doing things’, as I so often heard it described. The senior public health official mentioned above, for instance, explained that the ‘Global Fund is international, and they are judging us by international standards but ignoring how things are done here’—an objection I often encountered from public health workers. Pang Li clarified that ‘the financial systems in China are different than the Global Fund, that is why there were discrepancies’. To him, the Global Fund’s grievances had less to do with ‘corruption’ than with ‘technical things’ like filling out forms properly or keeping records and receipts.

These ‘technical things’ form a crucial component of audit regimes that serve to render beneficiaries (like the Chinese Government) accountable to the Global Fund and the international community. In the Chinese context, however, these accounting practices are taken as reproducing perceptions that China cannot be trusted and should

be integrated into regimes of transparency endorsed by those in the Global North. The view that China is untrustworthy was vigorously contested by Chinese health workers and political leaders alike, as I also regularly encountered (see Mason 2016).

The tensions generated by the Global Fund suspension are perhaps best captured in the voices of the public health leaders who joined the April 2011 meeting to which I referred earlier. The senior public health official recounted a conversation he had with some Global Fund staff, who reminded him that ‘if you [China] don’t meet our conditions, then you don’t get our money’. This resonated with what Jon Lidén, the Global Fund’s spokesperson at the time of China’s suspension, had said: ‘Either spend the money effectively, as agreed, or the funding stops’ (Parry 2011: d3327). In response, the Chinese participants in the meeting shouted that they no longer wanted Global Fund money. As one man angrily asserted: ‘If that’s the way they feel then they can take their money! We don’t want it! We don’t need it!’

Lest this incident be misread as the Chinese Government conceding to Global Fund demands, it should be noted that China has never wholly conformed to international norms; rather, it has taken a ‘slow and selective’ approach to adopting certain global practices (Huang and Jia 2014: 12). The international community’s desire for Chinese actors to play by certain rules (for example, that it pays its dues to the Global Fund) is accompanied by its tacit acceptance that this may not always happen. Chinese officials’ recognition that ‘we don’t need Global Fund money’ is buttressed by its domestic financing of HIV initiatives and its contributions as an international donor. To be sure, China has been Africa’s largest foreign job creator since 2010 (Oluwole 2022). Even as Chinese leaders framed the Global Fund’s suspension as a political move, they reiterated the strength of the Chinese State against the intentions of the international community to undermine the country. As one leader articulated: ‘Donors can be very strong-minded. But we [China] are even stronger minded’ (Wu and Pisani 2017: 81).

These views came from government officials and it cannot be said they were shared by everyone. Community leaders responded to the suspension in starkly different ways, shaped in large part by their precarious position in China.

Civil Society Organisations and the Global Fund

If the Global Fund suspension inspired a sense of nationalism among Chinese leaders, it also galvanised a different type of solidarity among civil society—one that strengthened their alignment with international donors. In the absence of sufficient domestic sources of funding and in a tense political environment, the Global Fund served as an economic and political lifeline for many grassroots organisations. Most community leaders agreed that the Global Fund gave them value, visibility, and, as one activist put it, ‘a voice to

speak out'. The Global Fund also funded the majority of nongovernmental organisations (NGOs) in the HIV sector, and its departure all but guaranteed the demise of these groups. The suspension understandably caused anxiety for many who saw the Global Fund as a protector of civil society. As one grassroots activist said: 'If Global Fund leaves then all the progress made in civil society over the past few years will be pushed back.'

For some in the HIV sector, the suspension came as no surprise but, rather, was a long-foreseen outcome. As mentioned, rumours of impropriety had consistently plagued the Global Fund's HIV grants in China. Over the years, I frequently heard activists accuse the China CDC of misusing grant monies or withholding funding from community organisations. As one community leader charged: 'There were multiple tactics they [the China CDC] used to play with funds.' A more pernicious rumour that circulated during my fieldwork was that local officials created organisations specifically to access Global Fund money reserved for civil society groups (see Hildebrandt 2011).

The Chinese Government has historically held a deep mistrust of civil society groups, although the specific nature of its relationships with them varies widely across local and regional contexts (see Huang 2011). National regulations make it difficult for these groups to operate legally with the proper permits; instead, many work in legal grey zones, which adds to their precarity. To regulate their activities, China requires that all international funding be channelled through official administrative units; in the case of the Global Fund, money 'filters' down through every level to local branches of the China CDC (Hildebrandt 2011). Huang and Jia (2014) suggest that local governments prefer to keep resources under their control, which gives them little incentive to involve community organisations.

For this reason, local activists celebrated the Global Fund suspension and, notably, the financial auditing of its grants. In a meeting I attended in June 2011 to discuss the suspension with community organisations, participants advocated for 'better evaluation of Global Fund grants' and demanded 'more transparency' in grants spending, echoing the stipulations made by the Secretariat. Certainly, many organisations disliked having Global Fund resources channelled through the government, claiming that the funds never reached them (Kaufman 2009). A *New York Times* article quoted the director of a local organisation as saying: 'I really don't want to see something as well-intentioned as the Global Fund be sucked into the black hole of corruption' (LaFraniere 2011).

However, rumours of misappropriation were not limited to the government but extended to community organisations. In the June 2011 meeting, participants suggested that 'some organisations are also corrupt and misuse money'. These accusations were most often directed at 'fake' (假) organisations—that is, groups that materialised to absorb international funding but had little if any commitment to the community or to addressing HIV-related issues. They were, as one local activist described, 'taking money from them [donors] and not doing any work for it' (Fan 2021: 114).

It made sense, then, that some civil society leaders hoped the suspension would lead to the Global Fund's total withdrawal. Huang Wei (a pseudonym), the director of a Chinese HIV NGO, welcomed the departure of the Global Fund (and other donors). He blamed the Global Fund for creating a culture of 'fake' organisations that he felt undermined the contributions made by 'real' (真) groups. In his view, donors like the Global Fund diverted important resources away from these latter groups that sought to effect social change. In other words, insofar as the Global Fund legitimised the value of civil society groups, it also inadvertently devalued their contributions as a result of its aid, at least according to some activists.

For civil society groups, the Global Fund suspension involved a different kind of politics—one organised around not China's global position but their own. The suspension reinforced the precarity of these groups in China and reminded them of their reliance on international donors; should the donor leave, their existence would be in question. The government's statement that China did not need Global Fund money stands in stark contrast with the recognition by civil society groups that they, in fact, do need it. Their demands for transparency in the Global Fund's grants aligned them with the global community from which they drew value and legitimacy; after all, it was these donors who ensured their inclusion in HIV spaces in China and abroad. At the same time, this alliance amplified these organisations' insecurity and further tied their sustainability to government financing and regulation. This is why the presence of 'fake' organisations provoked such disdain; they risked justifying the Chinese Government's mistrust of these groups and minimising the gains already made, making civil society's future even more uncertain.

Beyond Money and Politics

In the end, the Global Fund suspension (and eventual withdrawal) came to mean many different things to many different people, little of which had to do with money. I continued to return to China for years after this incident and long after the Global Fund (and other international donors) exited the country, and these relationships remain just as complicated as they were then. As China transitions from a recipient to a donor, the Global Fund suspension reminds us that these interactions are not reducible to only money or politics alone but, rather, must be contextualised to understand how these decisions unfold and how they impact differently situated players. ●