Corporate Champions: doing good more effectively

The announcement of the Corporate Champions initiative of the Global Fund to Fight AIDS, Tuberculosis and Malaria is to be welcomed as a new vehicle for private-sector engagement in curbing these epidemics.

The initiative commits corporations to donate around US$30 million to “top-up” grants approved by the Fund. It offers a low-risk alternative for large corporations—such as those in the extraction or services sectors—to help control these diseases in countries where they operate. The ability to finance projects gives corporations access to large-scale efforts, where the Fund’s results-orientation, and monitoring and fiduciary arrangements are already in place. The company can take the credit as a Corporate Champion for project outcomes—the design of which remains the prerogative of national actors.

The initiative offers a range of benefits. To date, corporate contributions to the Fund have been very modest ($60 million of $9 billion paid in). The new initiative raises the bar to a different scale. Moreover, the model transcends some of the challenges raised by other models of corporate non-workplace-based responses. It effectively eliminates any operational risk, such as setting up community or government partnerships, which can be complex and time-consuming to establish and maintain. Importantly, by working through the Fund, a company’s contribution can be taken to a greater scale and may be better aligned with government policies and priorities.

Although the Champion’s model offers big business an alternative to the prevailing models, it is not suitable for all corporations and raises some concerns—eg, displacing other corporate initiatives. However, its benefits are likely only to be fully realised if a number of constraints to the way the Fund operates materialise. In particular, research suggests that the Fund reinforces a number of distortions in resource allocation, levies heavy transaction costs on in-country partners and governments, and delivers poorly aligned and harmonised support.13

Recent policy decisions commit the fund to practise better alignment and harmonisation. The Board’s decision to permit countries to submit National Strategy Applications instead of grant applications enables the Fund to practise what it preaches more effectively. Although it remains to be seen whether many Champions step forward, this might be a side show when compared to whether the Fund is able to square its commitments to alignment given its existing business model.

We declare that we have no conflict of interest.

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