

GLOBAL FUND OBSERVER (GFO) NEWSLETTER, a service of Aidspace.

Issue 48 – 10 August 2005. (For formatted web, Word and PDF versions of this and other issues, see [www.aidspace.org/gfo](http://www.aidspace.org/gfo) )

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**GFO SPECIAL ISSUE: Global Fund Financing**  
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The three NGO board members of the Global Fund, backed by a coalition of NGOs in Europe, North America and Japan, today launched a Call for Action regarding Global Fund financing. They explained that donor governments, at their Replenishment Meeting on September 5-6 in London, are likely to pledge far less money to the Global Fund than the Fund says it requires.

In their Call for Action, the three board members requested NGOs, CCM Chairs, and others around the world to sign an International Appeal calling upon donor governments to contribute their fair share to meet the Global Fund's needs.

The Call for Action, and the International Appeal, are reproduced below. The International Appeal ends with an annex proposing precisely how much each donor government should contribute to the Fund for 2006 and 2007.

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**CALL FOR ACTION**  
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To: Global Fund supporters around the world  
From: Rita Arauz Molina, Global Fund board member representing Developing Country NGOs  
Peter van Rooijen, Global Fund board member representing Developed Country NGOs  
Anandi Yuvaraj, Global Fund board member representing communities living with HIV/AIDS, TB and malaria  
Date: 10 August 2005  
Re: Urgent Call for Action regarding Global Fund financing

Dear Global Fund supporter,

As things currently stand, there is a real possibility that the *Global Fund to Fight AIDS, Tuberculosis and Malaria* will not raise enough money to enable it to launch any new grant rounds in 2006 or 2007.

Donor governments will hold a Replenishment Meeting in London on 5-6 September 2005 to raise the Global Fund's stated needs of \$2.9 billion in 2006 (plus a further \$0.7 billion to meet the anticipated 2005 funding gap), and \$4.2 billion in 2007, for a total of \$7.8 billion. Obtaining this money will mean that people can be hired and trained, health and social systems can be strengthened, and medications and equipment can be purchased. The need for scaling up the response has never been greater.

According to our understanding of current donor intentions, there will be enough money pledged to cover the renewal of ongoing two-year grants that have proven to be successful, but there will not be enough money pledged to enable the Fund to deliver on its plan to launch one new round in 2006 and two in 2007. Indeed, the total number of new rounds over those two years may be one or even zero.

Insufficient funding for the Global Fund will also undermine efforts to attain the Millennium Development Goal of halting and reversing the spread of HIV and other communicable diseases by 2015. Likewise, if the Global Fund does not have enough resources, implementing the G8's recent promise to achieve universal access to HIV treatment by 2010 will be impossible.

Donor countries are making their decisions right now as they prepare for the Replenishment Meeting.

We need your urgent help in advocating for adequate funding to meet the Global Fund's needs. Specifically, we ask you to:

- Arrange for your organization to sign the attached "Urgent International Appeal for Full Funding of the Global Fund." To do so, simply send an email to [GlobalFundAppeal@aidspan.org](mailto:GlobalFundAppeal@aidspan.org) saying that your organization wishes to sign the Appeal. Specify your organization's name and country. Try to do this today. The final date for submitting names is 20 August. (Note: We will separately be asking CCM Chairs and other notables to sign the Appeal in their own names. Suggestions for names will be welcome.)
- Urgently write to relevant government ministers in donor countries requesting that adequate money be pledged to the Global Fund at the Replenishment Meeting. (For further action suggestions, see the Advocacy Alert mentioned below.)
- Forward this letter and the attached Appeal to your contacts.

A special web page at [www.aidspan.org/globalfund/appeal](http://www.aidspan.org/globalfund/appeal) shows (a) the attached Appeal, in English, French, Spanish and Russian; (b) this letter, in the same languages; (c) a regularly-updated list of which organizations and notable individuals have signed the Appeal; (d) names and addresses to use when writing to donor government leaders; (e) a list of key messages (in the four languages) that you can draw upon when writing to donor governments; and (f) a link to the ICASO/Aidspan "Advocacy Alert: Global Fund Financing", in the four languages, with further suggestions for action.

We urge your organization, and others you are in contact with, to sign the Appeal and, if possible, to write to donor governments. There is very little time available, and it is crucial that the Global Fund receive adequate funding to enable it to launch new rounds in 2006 and 2007.

Queries arising from this Call for Action should be sent to [GlobalFundAppeal@aidspan.org](mailto:GlobalFundAppeal@aidspan.org).

Sincerely,

**Rita Arauz Molina**, Global Fund board member representing Developing Country NGOs  
**Peter van Rooijen**, Global Fund board member representing Developed Country NGOs  
**Anandi Yuvaraj**, Global Fund board member representing communities living with HIV/AIDS, TB and malaria

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INTERNATIONAL APPEAL  
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**Urgent International Appeal for Full Funding of the Global Fund  
Donor Countries: Keep your Promise to Scale up the Fight Against AIDS, TB and  
Malaria**

10 August 2005

“Please make no mistake about it: the Global Fund, whatever its teething problems, has emerged as the most formidable new international financial mechanism in the battle against communicable disease. It deserves every ounce of support it can muster... Your collective voices at this moment are indispensable. This next round of the Global Fund is receiving proposals on treatment, capacity and orphans as never before. It must not be forced to turn away countries in urgent need of help.”

– Stephen Lewis, Envoy for HIV/AIDS in Africa of the UN Secretary-General, 24 July 2005

*Summary*

The *Global Fund to Fight AIDS, Tuberculosis and Malaria* is a critical mechanism in international efforts to eradicate disease and poverty. The Global Fund requires solid financial support to enable it to continue contributing effectively to the fight against these three deadly diseases. Donor governments will hold a Replenishment Meeting in London on 5-6 September 2005 to raise the Global Fund’s stated needs: \$2.9 billion in 2006 (plus a further \$0.7 billion to meet the anticipated 2005 funding gap), and \$4.2 billion in 2007, for a total of \$7.8 billion. These funds are required to cover the renewal of ongoing two-year grants that have proven to be successful, the launching of one new grant round in 2006 and two in 2007, and the funding of the Global Fund’s fifth Round of grants, which will be approved by the Board in September.

As things currently stand, there is a real possibility that the Fund will not raise enough money to enable it to launch any new rounds in 2006 or 2007. Insufficient funding for the Global Fund will also undermine efforts to attain the Millennium Development Goal (MDG) of halting and reversing the spread of HIV and other communicable diseases by 2015. Likewise, if the Global Fund does not have enough resources, implementing the G8’s recent promise to achieve universal access to HIV treatment by 2010 will be impossible.

We call on donor governments to show leadership, and to demonstrate their commitment to fully funding the fight against HIV/AIDS, tuberculosis and malaria by contributing their fair share to meet the Global Fund’s needs and encouraging other countries to increase their contributions.

*The urgency of AIDS, tuberculosis and malaria*

HIV/AIDS, tuberculosis and malaria are ravaging the lives of tens of millions across the world. The three diseases kill more than 6 million people each year and shatter the lives of millions more. Not only do they constitute an enormous health challenge; they also undermine efforts to raise living standards and eradicate poverty, and jeopardise peace and stability in many of the worst affected countries.

A comprehensive response to these diseases is needed. This requires predictability of funding levels, long-term financial commitments, and frontloading of resources. Investments in effective prevention, treatment and supporting health delivery systems in 2005-2007 will save millions of lives, lessen the socioeconomic impact of the diseases on low- and middle-income countries, and reduce the need for increased spending on these chronic crises in the future.

*The role of the Global Fund to Fight AIDS, Tuberculosis and Malaria*

There are various bilateral and multilateral funding mechanisms that are making valuable contributions to the fight against the three diseases. The Global Fund plays a key role in this funding environment, providing approximately 55% of all current external funds in the fight against

tuberculosis; 40% in the fight against malaria; and 20-25% in the fight against HIV/AIDS. To effectively reverse the spread of AIDS, UNAIDS estimates that \$15 billion will be needed in 2006, \$18 billion in 2007, and at least \$22 billion annually from 2008 onwards.

The Global Fund is unique in the way it aims to deliver assistance. It funds technically sound projects designed and implemented by recipients themselves – both governmental and non-governmental; its procedures and operations are transparent and accountable; and it offers an opportunity for public-private partnership. The Global Fund has proven to be flexible and responsive, while maintaining a small, cost-effective infrastructure. As with all new organisations, there have been operational challenges, but these are being addressed through re-evaluation and modification of procedures.

Since becoming operational in 2002, the Global Fund has built up an impressive track record. Grants totalling \$3.1 billion across 127 countries had been approved and \$1.2 billion disbursed by the end of April 2005. Three years after its inception Global Fund financing has been a key factor in providing 130,000 people with AIDS treatment; more than one million persons with voluntary HIV testing; 385,000 patients with tuberculosis treatment; more than 300,000 people with malaria treatment; and more than 1.35 million families with bed nets to protect against malaria. Global Fund support has also reached tens of millions of people through a wide range of prevention programs. In addition, the Global Fund is responding to the urgent need for strengthening of human resources for health to combat HIV, tuberculosis and malaria by funding health care worker salaries and other recurrent costs that donors traditionally have not funded.

Yet, the Global Fund is at a critical juncture. It will need approximately \$2.9 billion in 2006, and from 2007 onwards some \$4 billion annually, to continue to contribute effectively to the international fight against the three diseases. It is also facing a funding shortfall of \$700 million for 2005 – hampering the funding of technically sound proposals submitted for Round 5 funding.

The U.S. has committed to provide up to one-third of the Global Fund's funding, dependent on the rest of the world committing the other two-thirds. In 2004, Europe provided just over half of the Global Fund's needs. Donor countries outside of Europe and the U.S. are committing approximately one-sixth of the required funding. The attached table proposes the 'fair share' that donor countries should contribute to fully cover the Global Fund's needs for 2006 and 2007 (based on the assumption that the U.S. will provide one-third of the total need; Europe will provide at least half; and remaining donors will provide one-sixth).

*Our call to action: donors must fully fund the Global Fund*

We, the undersigned, believe that the Global Fund is an essential funding mechanism to address HIV/AIDS, tuberculosis and malaria, and deserves full financial support. We call on the governments of donor countries to demonstrate their commitment and leadership to fighting AIDS, TB and malaria by fully covering the Global Fund's needs for 2005-2007, and to urge other countries to increase their contributions.

By fully covering the Global Fund's needs, donor governments will:

- Enable the Global Fund to finance years three through five of successful ongoing programs;
- Allow the Global Fund to launch funding for additional much-needed programs, including new programs to strengthen human resources for health and health systems;
- Help reduce future funding needs in the fight against AIDS, tuberculosis and malaria by providing sufficient funds now;
- Ensure that life-saving programs are not disrupted due to funding shortages;
- Contribute to much talked-about donor harmonization efforts;
- Support an effective and transparent multilateral funding mechanism;
- Demonstrate the international community's strong moral commitment to fighting these diseases.

The world must win the fight against HIV/AIDS, TB and malaria. Each donor country should contribute its fair share to this fight.

<signatures here>

**Annex – Proposed ‘Fair Share’ Contributions to the Global Fund by International Donors, \$US millions** <sup>4</sup>

This table shows the average annual pledge during 2002-2004, as well as current known and anticipated pledges for 2005, 2006 and 2007. It also proposes the ‘fair share’ that donor countries should contribute to fully cover the Global Fund’s needs for 2006 and 2007. This is based on the assumption that the US will provide one third of the total need, European countries will provide half, and remaining donors will provide one sixth.

Donor	Average annual pledge during 2002-4 <sup>1</sup>	2005 pledge	Best guess for 2006 <sup>2</sup>	Best guess for 2007 <sup>2</sup>	Proposed ‘fair share’ pledge for 2006 <sup>3</sup>	Proposed ‘fair share’ pledge for 2007 <sup>3</sup>
<b>TOTAL</b>	<b>1,221</b>	<b>1,411</b>	<b>2,018</b>	<b>2,119</b>	<b>3,600</b>	<b>4,200</b>
<b>United States</b>	<b>361</b>	<b>435</b>	<b>600<sup>g</sup></b>	<b>600<sup>g</sup></b>	<b>1,200</b> (1/3 of total)	<b>1,400</b> (1/3 of total)
<b>Europe</b>	<b>654</b>	<b>748</b>	<b>1,011</b>	<b>1,102</b>	<b>1,800</b> (1/2 of total)	<b>2,100</b> (1/2 of total)
Austria	1	0	1 <sup>a</sup>	1 <sup>a</sup>	10	10
Belgium	10	6	10 <sup>a</sup>	10 <sup>a</sup>	30	35
Denmark	15	23	23 <sup>b</sup>	23 <sup>b</sup>	45	55
Finland	0	0	0 <sup>a</sup>	0 <sup>a</sup>	5	5
France	101	181	272 <sup>d</sup>	363 <sup>e</sup>	325	375
Germany	32	103	103 <sup>b</sup>	103 <sup>b</sup>	125	145
Greece	0	0.3	0 <sup>a</sup>	0 <sup>a</sup>	5	5
Ireland	11	12	12 <sup>b</sup>	12 <sup>b</sup>	35	40
Italy	161	121	150 <sup>d</sup>	150 <sup>f</sup>	350	410
Luxembourg	2	1	2 <sup>a</sup>	2 <sup>a</sup>	5	5
Netherlands	35	56	56 <sup>b</sup>	56 <sup>b</sup>	110	125
Norway	18	19	19 <sup>b</sup>	19 <sup>b</sup>	55	65
Portugal	0.5	0	0.5 <sup>a</sup>	0.5 <sup>a</sup>	5	5
Spain	25	15	35 <sup>c</sup>	35 <sup>c</sup>	75	90
Sweden	27	46	46 <sup>b</sup>	46 <sup>b</sup>	85	95
Switzerland	6	4	6 <sup>a</sup>	6 <sup>a</sup>	20	25
United Kingdom	59	89	175 <sup>d</sup>	175 <sup>f</sup>	180	210
Other Europe	0.3	0	0.3	0.3	10	10
European Commission	151	70	100 <sup>h</sup>	100 <sup>h</sup>	325	390
<b>Other</b>	<b>206</b>	<b>229</b>	<b>407</b>	<b>417</b>	<b>600</b> (1/6 of total)	<b>700</b> (1/6 of total)
Australia	14	15	15 <sup>b</sup>	15 <sup>b</sup>	40	50
Canada	33	110	110 <sup>b</sup>	110 <sup>b</sup>	140	160
Japan	87	81	250 <sup>d</sup>	250 <sup>f</sup>	335	390
Nigeria	5	10	10 <sup>b</sup>	10 <sup>b</sup>	25	30
Saudi Arabia	3	3	3 <sup>c</sup>	3 <sup>c</sup>	10	10
Other non-Europe	11	10	14	14	40	45
Foundations, pvt. sector	53	0	5 <sup>h</sup>	10 <sup>h</sup>	10	15

<sup>1</sup> Excluding zero-pledge years	<sup>a</sup> Average pledge during 2002-4 (excluding zero-pledge years).
<sup>2</sup> Known pledges, plus guesses based on past patterns.	<sup>b</sup> Published pledge for 2005
<sup>3</sup> Numbers are based on the Fund’s Scenario 1 and 5 approaches. Scenario 1 divides the need in proportion to past contributions to the Fund. Scenario 5 divides it in proportion to “adjusted GNI,” a measure of “ability to pay.” When Scenario 1 produces the higher number, we use that. When it produces the lower number, we use that plus one third of the difference between the two approaches, to bring the total contributions up to the Fund’s stated need for 2006 and 2007. We then use modified numbers for the European Commission and the Foundations/pvt sector (because of weaknesses in the Fund’s Scenario 1 and 5 methodology for those sectors) and for Canada (where we use the 2005 pledge plus a modest increase).	<sup>c</sup> Published pledge for 2006
	<sup>d</sup> Anticipated pledge for 2006
	<sup>e</sup> Published pledge for 2007
	<sup>f</sup> Anticipated pledge for 2007
	<sup>g</sup> Current Senate proposal for 2006. (The House proposes 400.)
<sup>4</sup> Source for this table: Fifteen NGOs in Europe and North America. Contact point: <a href="mailto:rivers@aidspan.org">rivers@aidspan.org</a> .	<sup>h</sup> Guess, based on limited knowledge

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END OF NEWSLETTER  
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This is an issue of the GLOBAL FUND OBSERVER (GFO) NEWSLETTER.

GFO is an independent source of news, analysis and commentary about the Global Fund to Fight AIDS, TB and Malaria ([www.theglobalfund.org](http://www.theglobalfund.org)). GFO is emailed to 8,000 subscribers in 170 countries once to twice a month.

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GFO Editor: Bernard Rivers ([rivers@aidspan.org](mailto:rivers@aidspan.org), +1-212-662-6800)

GFO Contributing Editor: Esther Kaplan ([estherkaplan@earthlink.net](mailto:estherkaplan@earthlink.net))

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People interested in writing articles for GFO are invited to email the editor, above.

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