



Independent observer  
of the Global Fund

## URGENT ACTION REQUIRED TO ADDRESS FUNDING CRISIS AT THE GLOBAL FUND, REPORT SAYS

The International HIV/AIDS Alliance says that progress on many fronts is in danger of being reversed

### Bilateral donors urged to fill service gaps

As a result of the funding crisis at the Global Fund, the scale-up of the worldwide HIV response will be seriously affected and important existing services will be reduced or eliminated – unless urgent measures are taken. This is the central message of a well-written and plain-speaking report issued on 24 January 2012 by the International HIV/AIDS Alliance.

The report, entitled “Don’t Stop Now: How Underfunding the Global Fund to Fight AIDS, Tuberculosis and Malaria Impacts on the HIV Response,” is available on the Alliance website [here](#). The report is based on data from countries where the Alliance operates, including data from in-depth impact studies in five countries: Bangladesh, Bolivia, South Sudan, Zambia and Zimbabwe.

In November 2011, the Global Fund cancelled Round 11 and said that no new grants could be funded until 2014. The report from the Alliance said that this news hit just as major scientific breakthroughs and signs of real progress were starting to generate the most widespread optimism in the history of the AIDS epidemic. “Now,” the report said, “all hopes of entering a new phase of the HIV response are effectively put on hold until at least 2014, and progress on many fronts may actually be reversed. The effects on individuals and communities will be devastating.”

The Global Fund, which has made direct investments in 150 countries, provides about two-thirds of total international funding for TB and malaria services, and one-fifth for HIV services. The report said that the Global Fund plays a crucial role in linking health systems and community systems; and that the Fund has been a powerful force in advancing human rights and placing people infected with, and affected by, HIV on country coordinating mechanisms. The report said that these principles and approaches are embodied in the “widely welcomed” new Global Fund Strategy 2012-2016, which aims to save 10 million lives by 2016.

However, the report said, the cancellation of Round 11, combined with other measures taken by the Global Fund – such as stricter rules for grant renewals – means that the Fund will not be able to support any new HIV, TB or malaria services. In addition, the report said, basic programmes, such as HIV care and support, will be interrupted because they have not been deemed “essential” under the rules for the Fund’s Transitional Funding Mechanism (TFM). For the same reason, the report said, important advocacy and legal work to combat stigma and discrimination and to enable people to access services will probably also go unfunded; and efforts to address many of the drivers of the pandemic – such as interventions focusing on social protection, education, and gender equality – “will fall by the wayside.”

The report described the impact of the funding crisis on individual countries. In Bolivia, for example, prevention activities will be disrupted for key populations such as MSM and lesbian, gay, bisexual, transgender and intersex (LGBTI) populations, which are at the centre of the HIV epidemic in that country. Also, the opportunity to expand this type of outreach work to other populations that do not currently access formal health establishments – such as prisoners, people living on the streets, young adolescents and indigenous people – will be lost. Finally, important investigations planned to provide insight into the HIV epidemic will be cancelled.

“For donors and other stakeholders to reduce funding for the HIV response in difficult economic times is short-sighted and counterproductive,” the report said. “While trillions of dollars have been found by governments to bail out the reckless financial sector, donors have left the Global Fund short of the funds it needs to save millions of lives. The Global Fund is the best mechanism the world has for realising the possibility of a world without AIDS, but it can only do so with sufficient investment.”

The Alliance called on donors to honour their existing pledges and to increase their contributions so as to provide the Global Fund with about \$2 billion that could be used to create a new funding opportunity in 2012. Specifically, the Alliance said, donors must speed up the delivery of their contributions; donors that have not made pledges, particularly G20 countries, should do so; donors should host an emergency replenishment meeting prior to the International AIDS Conference in July 2012; and donors should consider increasing the sources of funding through measures such as the financial transaction tax that is being contemplated by several countries.

The Alliance also said that national governments must invest more in their own HIV responses; and that bilateral donors must take immediate steps to fill critical HIV service gaps created by the funding crisis at the Global Fund.

Alliance Executive Director Alvaro Bermejo said in the report,

“We urgently need donors to replenish the Global Fund and for national governments to step up and deliver funding for their HIV/AIDS response or we face a collective responsibility of failing the weakest in our society and betraying the promises that were made to the families and people affected by HIV around the world.”

In the report, the Alliance also said that the Global Fund must have more effective financial early warning systems in place to ensure they can raise the alarm bell when donor commitments are not being met.

“Never again must we be in a position where life-saving programmes are cancelled or delayed, without contingency planning and support for affected countries.”

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