



Independent observer  
of the Global Fund

## Increase funding or abandon hope of ending malaria, TB and AIDS

On 23 February 2022 the Global Fund launched its long-awaited [Investment Case](#), Fight for What Counts, as the key background document for the Seventh Replenishment Preparatory Meetings held on 23 and 24 February. The Investment Case makes the argument for why donors need to step up to the plate and not hold back if they want to see an end to the three diseases. Read our article on the Investment Case [here](#).

Set up in 2002, the Global Fund raises and spends funds during three-year “replenishment” periods, the seventh of which begins in 2024. The Sixth Replenishment meeting in 2019 in Lyons, hosted by French President Emmanuel Macron, raised \$14.02 billion, the largest amount ever for a multilateral health organization.

The Seventh Replenishment pledging conference will be held in the United States later this year, hosted by President Joe Biden.

This Preparatory Meeting was co-hosted by five African Presidents: President Felix Tshisekedi of the Democratic Republic of the Congo, Kenyan President Uhuru Kenyatta, Rwandan President Paul Kagame, Senegal’s President Macky Sall, and South African President Cyril Ramaphosa. The first day comprised keynote speeches, partners’ perspectives, presentation of the Investment Case and a moderated panel discussion on ‘Fighting Pandemics and Building a Healthier & More Equitable World’. Day 2 went into the Investment Case in greater depth.

Global Fund partnership warns of dire consequences if sufficient funding cannot be raised

The failure to end the three epidemics of HIV, TB and malaria should donor funding not be forthcoming was the overriding message of the Preparatory Meeting’s first day.

The Global Fund urged donors to pledge billions of dollars to get efforts to end AIDS, TB and malaria by 2030 'back on track' after the cataclysmic impact of COVID-19 on health systems and key health programs. The Global Fund warned delegates that, unless donors make an unprecedented total funding pledge of at least \$18 billion this year, that goal will not be met.

"In the face of the catastrophic impact of COVID-19 on the fight against HIV, TB and malaria, the choice is stark: we either increase funding, or we abandon hope of finally defeating these epidemics by 2030."

Peter Sands, Executive Director of the Global Fund

To coincide with the meeting's first day, the Global Fund Advocates Network (GFAN) published a [Joint Statement from Parliamentarians of Host Nations of the Global Fund Preparatory Meeting of the 7th Replenishment](#). Signed by a group of seven parliamentarians from four of the five host countries, the Statement repeated Peter Sands' warning, stressing that the world faces 'a critical moment. COVID-19 devastated health systems and crippled the global response to health challenges ... What follows now will be decisive in getting progress back on track,' The parliamentarians from the Democratic Republic of the Congo, Kenya, Rwanda, and Senegal, wrote: 'Key donor countries who have played an important role in this historic partnership, such as the UK, US, and others, once again have the opportunity to demonstrate leadership with strong funding pledges, which will be met by implementing countries upholding commitments to mobilise their own resources.'

However, many donors, as a response to their countries' economic recessions due to the pandemic, have decided to cut their overseas development aid (ODA). This has already had an impact on global efforts against HIV/AIDS, TB and malaria, contributing to a wider stalling of progress during the pandemic. For example, the United Kingdom is the Global Fund's second largest donor yet its government's [decision to cut the aid budget](#) from 0.7% to 0.5% of gross national income has already had repercussions in other areas and [many fear that aid spending will not return to its previous levels for years](#), if at all. The implications of a fall in ODA for these countries' pledges to the Global Fund will not be known until the actual Pledging Conference later this year.

Britain's likely commitment to the Global Fund may well be in doubt following the Foreign Secretary's [written statement to the 20<sup>th</sup> Replenishment of International Development Association](#) on 22 February. [The Guardian](#) reported that she stated she was "rebalancing the aid budget towards bilateral programmes" and, implicitly, away from multilateral organizations. It is unlikely that Britain will be the only nation seeking to favour domestic bilateral programs which ultimately means that it will be a challenge for multilateral agencies to raise the donor funding needed to maintain, let alone scale up, their aid programs.

The Global Fund said its highest target to date of \$18 billion was needed because "significant progress" in tackling the three diseases had been lost due to the pandemic. 'Hard-won gains against HIV, TB and malaria are being reversed, with devastating consequences for the poorest and most vulnerable communities,' it said. 'The entire United Nations' sustainable development goals agenda is now at risk, as inequities deepen, poverty spirals and social and political tensions grow.'

If the target were to be reached, it would enable the Global Fund to save 20 million lives between 2024 and 2026, and reduce the death toll across the three diseases to 950,000 in 2026, down from 2.4 million in 2020, and from 4 million in 2005.

But is the Investment Case 'Ask' sufficient?

There is a real risk that the Investment Case's request for \$18 billion, \$4 billion more than at the Sixth Replenishment, will not be met. Donors are struggling to balance their diminished economic outlook with their financial obligations to the world's poorer nations and to the development organizations that work in

those countries. However, as the GFO pointed out in its [article](#) (Start the countdown for the Global Fund's Seventh Replenishment) in its previous issue, GFAN doubts that even at \$18 billion the Investment Case "Ask" is adequate to address the seemingly insurmountable task at hand. GFAN has estimated that \$28.5 billion, including \$4.5 billion for community-led responses, is the minimum needed by the Global Fund over the next three years and that public and private donors need to make strong pledges if it wants to improve on the [2021 Results Report](#).

Future success in financing the Seventh Replenishment is also in the hands of the countries themselves

Gravitas was provided by the five African countries' leaders who painted a sombre picture of what the future of the three diseases might look like without increased funding, the economic constraints facing the world two years after the arrival of COVID-19, and the responsibilities of African and indeed all nations to play a more active role regarding domestic financing for health.

The Investment Case estimates that country contributions in the amount of \$58.6 billion or 45% of the total will be required to fight HIV/AIDS, TB and malaria and for strengthening health systems, including pandemic responses, over the next three years. Increasing domestic resources for health is therefore a crucial part of the response.

The presidents noted that, despite the best efforts of countries, the Global Fund and other development partners, eliminating HIV, TB and malaria and achieving universal health coverage (UHC) remain a challenge. Progress has been set back by the effects of COVID-19. The pandemic led to 2020 being the worst year on record for the African continent with a growth of -1.3%; and the International Monetary Fund has forecast that Africa will have had the slowest growth in 2021 compared to the rest of the world.

Across Africa, the pandemic led to two fiscal shocks: a 5% fall in government revenues in 2020 accompanied by a necessary increase in expenditure on health, social protection and support for businesses, in order to respond to the pandemic. That spending had to be maintained by increasing debt and reallocating funds from other sectors. As a result, fiscal deficits have widened, and national debts have risen by an average of 6% of gross domestic product. The level of health spending needs to be maintained but health is competing with other spending priorities. Ministries of health would therefore have to ensure that available financing is spent efficiently and on the most effective health services.

'Of course, we should have learned from the existing pandemics of HIV, Lassa fever, malaria, tuberculosis and Ebola but we did not. COVID-19 hit every country almost simultaneously, showing just how quickly a disease can spread. Africa cannot afford another setback like this. Our low- and lower-income countries need to achieve consistency in health spending. That means having a healthy population and the ability to withstand pandemics. This will require more investment in health: considerably more investment.'

H.E. President Macky Sall of Senegal, Chair of the African Union

COVID-19 also resulted in more people being pushed into poverty. While African governments took what steps they could to provide social support, the fact remains that fewer people can afford healthcare. Governments will therefore have to find the means to provide more financial support for health or risk further setbacks in health that will affect economic development and delay the achievement of UHC.

A broader spectrum of stakeholders is now keenly feeling the consequences of prolonged underinvestment in health, and the pandemic has brought a renewed sense of urgency to create momentum around health-system reform across the continent. The presidents noted that efforts to raise finance and reimagine what is being sought to be achieved must involve all stakeholders. But

stakeholders will want to see strong governance mechanisms and reporting practices put in place that ensure judicious, coordinated spending and transparency.

While countries aim to achieve domestically financed and sustainable health systems, for the foreseeable future the contributions from the Global Fund and other donors will be essential. That is why the African Union and the individual Member States must advocate loudly for the Global Fund's Seventh Replenishment.

African leaders are already thinking about how to increase investments in health

Three years ago in 2019, the African Union convened the 'African Leadership Meeting on Investing in Health' which in many ways was ahead of its time. This was a landmark moment, bringing together governments, the private sector and the global development community, to coordinate and accelerate progress around the issue of domestic financing for health and towards UHC.

'African leaders pledged to increase domestic investments in health and improve health financing systems in an appropriate manner so that each country can pursue its own path to achieving and sustaining universal health coverage. We welcome the support of the Global Fund and of other development partners on the implementation of this initiative, in particular the scorecard, the roll out of the health financing tracker, and the health financing hubs in regional economic communities.

At the time we did not know that the COVID-19 pandemic was around the corner, and this issue of financing health systems has become a much higher political priority for many governments in Africa.

Africa came into the fight against COVID-19, battling the world's most acute public health threat with just 1% of health spending while accounting for 17% of the world's population. It is vital that African leaders take ownership of financing of the health sector and of health systems, and why I am honoured to have been nominated the continental domestic financing champion for health.'

H.E. Paul Kagame, President of Rwanda and Chair of the ALM

The presidents want to see progress in implementing the ten actions set out in the [African Leadership Meeting Investing in Health Declaration](#), notably, the commitment to increase domestic investment in health and for Heads of State to review country performance annually – against the benchmarks of the [Africa Scorecard on Domestic Financing for Health](#). They also want to ensure that the five regional health financing hubs are fully functional.

Other key African initiatives towards better health

In his speech, President Kagame also highlighted two important developments which he thinks are relevant to the Preparatory Meetings discussions and towards Agenda 2063, 'The Africa We Want'. First, the African Medicines Agency (AMA), crucial for strengthening national medical products regulatory systems and also important for developing African vaccine manufacturing capacity. Rwanda, together with Senegal and South Africa, have signed agreements with BioNTech to build end to end mRNA vaccine production facilities, with a vision also to enter into pharmaceutical manufacturing.

The second important development is the [African Union Development Agency](#) (AUDA-NEPAD), established in 2018, and also chaired by Kagame. AUDA-NEPAD aims to accelerate regional integration and the realisation of Agenda 2063 and serve as the technical interface on Africa's development issues with all development partners and stakeholders. As is described in its [2021 report](#), under its health

portfolio, AUDA-NEPAD devised several signature projects to strengthen national health systems and pandemic resilience.

According to the presidents, the African Union will continue to be proactive in seeking to improve the health of African people through the Africa Centres for Disease Control and Prevention, the Africa Leaders' Malaria Alliance, the AMA, and the health systems focus area of the AUDA-NEPAD. In their respective roles, these African agencies will contribute advice and help coordinate emergency preparedness and response mechanisms, help the development of facilities to produce and distribute high quality medical commodities and equipment, and foster increased use of digital technology to enable more people to access health services as well as gain cost efficiencies.

The last word on domestic health financing

At the time of writing this article, the world had just come to the end of the first week of Russia's invasion of the Ukraine. Whatever the ultimate outcome, international health financing is bound to be adversely affected and, by extension, this will have a negative impact on what countries are able and willing to pledge.

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