



Independent observer
of the Global Fund

UK Announces Major Increase in Its Pledge to the Global Fund

The Global Fund's efforts to raise money for its Fourth Replenishment (2014–2016) received a major boost on 23 September with a pledge of up to £1 billion (\$1.5 billion) from the United Kingdom.

The [announcement](#), made in New York by UK Secretary of State for International Development Justine Greening, came at the start of the United Nations General Assembly.

“AIDS, TB and malaria are among the world's biggest killers despite being entirely preventable and treatable,” the Rt. Hon. Greening said. “The Global Fund has already helped save millions of lives but we must keep up the momentum if we are to beat these diseases for good.”

The \$1.5 billion pledge may not represent entirely new money. The UK announcement said that the country had committed £1 billion to the Global Fund from 2008–2015, which overlaps with the 2014–2016 period.

In a news release, the Global Fund welcomed the announcement and congratulated the UK for “demonstrating strong leadership in global health.”

The UK said that it will contribute the full \$1.5 billion only if the Global Fund reaches its fundraising target of \$15 billion, and that the UK contribution will not exceed 10% of the total. This appears to mean that if the Global Fund raises, say, only \$14 billion, the UK contribution would be \$1.4 billion (10% of the total). However, the announcement does not state that this is precisely how it would work.

Contributions from the United States, the largest donor to the Global Fund, are allocated along similar lines: US law limits what the government can contribute to no more than 33% of total contributions each year. President Obama has asked the US Congress to authorise \$1.65 billion for fiscal year 2014 in what

the Global Fund hopes will be the first of three contributions for 2014–2016 totalling approximately \$5 billion.

If the Global Fund raises the full \$15 billion, the UK may become the second-largest donor to the Fund, moving ahead of France.

In July, France announced that it is pledging \$1.4 billion for 2014–2016 (see [GFO article](#)). Following the UK announcement, activists in France wasted little time calling on France to increase its pledge. Coalition Plus and AIDES issued a news release with the headline “Great Britain overtakes France as second largest donor to the Global Fund.”

The activists noted that in response to studies demonstrating the effectiveness of the Global Fund, the UK responded by doubling its pledge (see editor’s note below) whereas France barely managed to maintain its current level of commitment. The activists said that leadership in the fight against HIV had now crossed the English Channel.

“Many countries understood the choice: up the ante now to end the [HIV] epidemic or be condemned to pay forever. It is unfortunate that France did not come to the same conclusion even though it makes good economic sense,” said Bruno Spire, president of AIDES.

The UK’s decision to cap its contribution to the Fund at 10% of the total raised during this replenishment puts the onus on other countries to make up the difference, according to the activists. If France were to add to its contribution 5% of the proceeds from its financial transaction tax, as it had promised to do, this would amount to € 1.2 billion over three years, which is [about] equal to the entire UK pledge,” said Hakima Himmish, president of Coalition Plus.

Other countries that have announced their pledges for the Fourth Replenishment include [Germany](#) and five [Nordic countries](#): Sweden, Norway, Denmark, Finland and Iceland.

Editor’s Note: Some observers have interpreted the \$1.5 billion pledge from the UK as a doubling of its pledge for the current replenishment period (2011–2013), though neither the UK announcement nor the Global Fund news release put it this way. It is difficult to state precisely how much of an increase the \$1.5 billion pledge represents because it is not always clear to which years past UK pledges applied. In a report on donor funding released by AidsSpan in December 2012, we estimated the UK pledge for 2011–2013 at just over \$1 billion. That suggests that the \$1.5 billion pledge for 2014–2016 represents an increase of 50%.

In its announcement, the UK said that the equivalent of £1 billion in US dollars is \$1.5 billion. The announcement assumed an exchange rate of \$1.50 to the pound. On the exchange markets, the current rate is about \$1.60 to the pound. In this article, we use the \$1.5 billion figure mentioned in the UK announcement. Other media have used the \$1.6 billion figure.

The news release from Coalition Plus and AIDES was distributed by email; the author has a copy on file.

This article was amended on 24 September after it was initially posted to correct an error. The original article erroneously stated that Switzerland was one of the countries that had announced its pledge for 2014–2016. Switzerland has not yet done so.

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