



Independent observer
of the Global Fund

Update on Global Fund resource mobilization: lessons learned from Fifth Replenishment, early outlook for Sixth

“This environment is not particularly conducive for resource mobilization efforts for global health and development.” This statement is from an update on resource mobilization provided to the Global Fund Board at its November 2017 meeting. The statement was both expounded upon and qualified in the update.

The update centered on the [Ongoing Resource Mobilization Action Plan](#), which includes a status report on the Fifth Replenishment and some key lessons learned, and also provides some early considerations related to the next replenishment cycle. The action plan, which is represented graphically in the figure below, was prepared in May 2017.

Making good on Fifth Replenishment pledges

The Fifth Replenishment Conference was held in Montreal in September 2016. Aidspan reported and reflected on the event [here](#), [here](#) and [here](#). Although the conference is generally viewed as the culmination of a year-long fundraising drive, technically the Fifth Replenishment stays open until mid-2019, when the Sixth Replenishment Conference will be held to secure pledges for the following three-year period: 2020-2022.

At the Montreal conference, governments and other donors made public pledges to the tune of \$12.9 billion for the 2017-2019 period. Over the weeks, months and years that followed (and will follow), the Fund works to convert those pledges into contributions – i.e. actual transfers of money – and has continued pursuing further contributions from new and existing donors. In an effort to guide this work, and to prepare the ground for the Sixth Replenishment, the Global Fund Secretariat developed the action plan.

The three primary objectives of the action plan are (a) to convert all pledges to contributions and mobilize up to an additional \$500 million over the 2017-2019 period (as indicated in the five focus area targets in the figure); (b) to prepare the groundwork for the Sixth Replenishment; and (c) to leverage new and innovative partnerships and revenue sources for the Fund.

Figure: Ongoing Resource Mobilization Action Plan – Objectives, focus areas, targets and strategic actions

Source: Global Fund

The November update describes “good progress” towards signing contribution agreements and an expectation that full pledge conversion will be achieved. As for raising additional funds, the update stated that \$35.1 million has been secured, closing the \$100 million gap between the Fund’s \$13 billion goal and what was pledged in Montreal. Efforts to bring former donors back into the fold (such as Spain, which [announced](#) last month that it is waiving debts from three African countries through Debt2Health) and expand private sector contributions are the centerpieces of the additional resource mobilization plans.

Lessons learned from the Fifth Replenishment

The Fifth Replenishment drive was considered a success by the Fund. Following the conference, the Secretariat analyzed the experience and identified some factors that contributed to its success. Top among these was strong leadership from the Japanese and Canadian governments, which hosted the preparatory meeting and replenishment conference, respectively. Their heads of state were out-front advocates for the drive, and played a critical role in mobilizing other governments and private sector leaders to make pledges.

The Secretariat also highlighted the engagement of leaders from African countries as key to the success of the replenishment. In addition to acting as champions of the Global Fund, leaders of 11 African countries also made financial pledges at the conference totaling \$33 million. This show of solidarity from recipient countries was roundly applauded.

Expanded engagement of civil society organizations, parliamentarians and private sector leaders from donor countries was also held up as a key to the drive’s success. The update reflected on the importance of engaging these kinds of homegrown advocacy partners in donor countries by pointing to their role in securing increased or sustained pledges from the U.K., U.S., France and others despite challenging domestic political environments for development aid. The Fund is already working to sustain and grow these efforts as part of the resource mobilization action plan.

Regarding challenges to be addressed moving forward, three were highlighted: (a) overdependence on G7 donors; (b) limited contributions from emerging economies; (c) and the need to effectively communicate urgency to prospective donors (see below).

The biggest risk to future replenishments is the over-dependence of the Fund on G7 countries for raising revenue. These economies accounted for more than three-quarters of total pledges, which is similar to past replenishment cycles. The Fund describes the nature of the risk as “being vulnerable to political and economic shocks and shifts in G7 funding priorities.” The G7 includes Canada, France, Germany, Italy,

Japan, the U.K., the U.S., and the European Union. In many of these countries, recent elections have laid bare major domestic differences in how foreign aid is viewed, which is probably what the Fund's concern stems from.

Progress on engaging emerging economies outside of the OECD-DAC continued to be limited in the Fifth Replenishment. OECD-DAC, or the Organization for Economic Co-operation and Development's [Development Assistance Committee](#), is a 30-member group of wealthier European, North American, and Asian countries that generally provide the lion's share of global health and development aid. According to the update, non-OECD-DAC pledges for the current period were well below previous levels, at only \$68 million, excluding the African pledges mentioned above. China, India, Saudi Arabia and the Gulf States made only modest pledges. Russia was completely absent. Its absence was particularly notable because in the past Russia has pledged more than \$300 million to the Fund. The update surmised that "a major reform in the role these countries play in the Global Fund's governance will likely be necessary to incentivize them to make increased pledges in the future." The Fund has recently addressed this with an interim measure involving establishing a non-voting seat on the board for new public donors (see [GFO article](#)).

Finally, the update noted that in today's "increasingly competitive and complex aid environment," maintaining a sense of urgency among current and potential donors will be a challenge. The Fund made a strong [investment case](#) for the Fifth Replenishment, which was tied in many ways to its new 2017-2022 strategy. The update said that demonstrating early success at the strategy's mid-point will be critical to building the next replenishment investment case.

Looking ahead to the Sixth Replenishment

The update to the Board outlines two global realities that will likely have major impacts on the next replenishment – and possibly on the current one as well. First, as mentioned above, the political climate in some donor countries has shifted recently to the point that nationalistic perspectives and policies are growing, and have become dominant in some cases. The Brexit vote in the U.K. and election of Donald Trump in the U.S. are key examples of this trend. However, citing popular support for the Sustainable Development Goals and record levels of official development assistance, the Global Fund isn't completely gloomy on this point. Domestic investments in implementer countries are expected to continue growing, as are the impacts of innovative financing mechanisms and private sector investments in health. Blended financing is one of the innovative approaches being considered by the Fund (see [GFO article](#)).

Alas, even if the political tides do quickly turn more favorable in key donor countries, there will be another variable to contend with: competition within the global health and development sector itself. The update outlines that, over the next three years, a slew of major multilateral health and development institutions will be seeking to raise funds for critical replenishments, mostly from the same governments and other donors the Global Fund looks to. Calling it a "dynamic phase in global health and development," the update again tries to find the points of light in a dark prognosis. It suggests that while the confluence of resource mobilization initiatives may strain donors' interest and ability to pay, it also provides an opportunity for the various organizations seeking funding to take a hard look at where greater alignment is possible, and how the best investment cases can be made.

Table: Global health and development replenishment cycles (2018-2020)

Institution/cause	Replenishment Cycle
Global Partnership for Education	Feb 2018 - Feb 2020
Global Financing Facility in Support of Every Woman Every Child	Sep 2018 - Sep 2020
Green Climate Fund	2018 - 2020

World Health Organization	201
Non-communicable diseases (unnamed conference)	201
International Development Association	201
African Development Bank	201
The Global Fund to Fight AIDS, TB and Malaria	201
Gavi, the Vaccine Alliance	202

In setting a course for a Sixth Replenishment, which will almost certainly face turbulence, the Global Fund appears to basing its strategy primarily on building on its successes from the Fifth Replenishment: (a) prioritize and secure strong political leadership from key donors; (b) hone and communicate a bulletproof investment case which demonstrates solid progress on the 2017-2022 strategy; and (c) thoroughly engage and leverage supporters from civil society and the private sector in donor and implementer countries.

Some of the information in this article was taken from Board Document GF-B38-19 (Update on Resource Mobilization and the Global Fund's Sixth Replenishment), which should be available shortly at www.theglobalfund.org/en/board/meetings/38.

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