



Independent observer  
of the Global Fund

## Step up or slip back? The case for investing \$14 billion for the Global Fund's Sixth Replenishment

“Step Up the Fight” is the title of the Investment Case document published by the Global Fund for the Sixth Replenishment. That phrase accurately reflects the central message of the Investment Case which is that the Fund and its many partners need to “build on the gains we have made, or we [will] see those achievements eroded, infections and deaths resurge, and the prospect of ending the epidemics disappear.”

A [summary of the Investment Case](#) was released on 11 January 2019, ahead of the replenishment preparatory meeting which will take place next month in New Delhi, India. The full Investment Case document has been provided to Board members but has not yet been released publicly.

On 11 January, as [reported](#) in the last issue of GFO, the Global Fund also [announced](#) that it has set a target of \$14.0 billion for the Sixth Replenishment.

This article covers three topics: (1) the Investment Case; (2) the \$14 billion target; and (3) comments from civil society on the target. Please see the [separate article](#) in this issue on the preparatory meeting.

### Investment Case

The purpose of the Investment Case is to provide a strong rationale for why donors should increase their contributions to the Global Fund.

The investment case states that although we have achieved remarkable progress, “we are not on trajectory to reach the Sustainable Development Goal (SDG) target of ending the epidemics by 2030.

Wavering political commitment, shortfalls in funding, and increasing insecticide and drug resistance have slowed progress and enabled the diseases to gain ground.”

From 2002–2018, the Global Fund has invested \$19.6 billion in HIV programs (20% of all international funding); \$8.2 billion in TB and TB/HIV programs (65% of the funding); and \$11.4 billion in malaria programs (57% of the funding). Table 1 provides selected key results of these investments.

Table 1: Some key results from programs supported by the Global Fund (2017)

HIV	TB	Malaria
<ul style="list-style-type: none"><li>• 17.5 million people on ART</li><li>• 4.9 million people from key populations received prevention services</li><li>• 696,000 HIV-positive mothers received PMTCT</li><li>• 79.1 million HIV tests taken</li></ul>	<ul style="list-style-type: none"><li>• 5 million people treated for TB</li><li>• 102,000 people treated for MDR-TB</li><li>• 97,500 children in contact with TB patients received preventive therapy</li></ul>	<ul style="list-style-type: none"><li>• 195 million mosquito nets distributed</li><li>• 108 million cases treated</li><li>• 12.5 million structures treated with IRS</li><li>• Mortality rates lowered since 2001</li></ul>

Source: [Results Report 2018](#). Global Fund

The Investment Case states that there are new threats that have to be addressed. For example, after years of steady declines, malaria cases are on the rise. “Mosquitoes in Africa are developing resistance to the most common insecticides used to treat mosquito nets, and in the Mekong region we are seeing growing resistance to the world’s most successful malaria drug.”

“If we don’t prevent teens, particularly girls, from getting infected with HIV,” the investment case warned, “the massive increase in the youth population in Africa will lead to more new infections than [we experienced] at the height of the epidemic in the early 2000s.”

– Investment Case

A second example of threats is the fact that more than 10 million people fall ill with TB every year, 40% of whom are “missed.” Multiple-drug-resistant TB is increasing (in 2017, it infected more than 600,000 people) and is difficult and expensive to treat.

HIV programs also face challenges related to resistance. In sub-Saharan Africa, more than 10% of people starting antiretroviral therapy have a strain of HIV that is resistant to some of the most common HIV drugs.

A further reason why increased funding is required is that the Global Fund is stepping up its investment in new tools and innovations — for example, piloting new mosquito nets to combat insecticide resistance in Africa.

“Nearly 1,000 adolescent girls and young women are infected with HIV every day. A child still dies every two minutes from malaria. And TB is now the world’s leading killer among infectious diseases.”

– Investment Case

The Investment Case states that we need (a) more innovation in diagnostics, prevention, treatment and delivery models; (b) greater collaboration; (c) a relentless focus on improving execution; (d) more granular and timely data; and (e) more money.

The Investment Case also says that “if we don’t tackle the stigma and discrimination that fuels the epidemic among marginalized key populations, we will never stop new infections. One out of four people infected with HIV still doesn’t know they have it. Only half of HIV positive children receive antiretroviral therapy.”

\$14 billion target

The Investment Case states that the target of at least \$14.0 billion for the Sixth Replenishment represents an increase of 15% (\$1.8 billion) over the \$12.2 billion raised during the Fifth Replenishment period.

“A fully funded Global Fund, alongside sustained levels of other external funding and significantly scaled-up domestic financing, plus more innovation, more intensive collaboration and more rigorous execution, would enable delivery of the Global Fund Strategy targets for 2022 and put us on a trajectory toward attaining the SDG 3 target of ending the epidemics by 2030.”

– Investment Case

(At the end of the Fifth Replenishment pledging conference in 2016, the Global Fund said that \$12.9 billion was pledged. The difference between the \$12.2 billion and \$12.9 billion figures can be attributed to currency fluctuations. Pledges and contributions are both made in local currencies. The contributions are usually made some time after the pledges are announced and may be made in instalments. Thus, the total in U.S. dollars can vary significantly depending on when the contributions were made; what the currency exchange rates were at that time; and what assumptions are made regarding the timing of future contributions, and regarding the exchange rates that will be in effect then.)

Table 2 shows the targets and actual pledges for the last four replenishments.

Table 2: Replenishment targets and amounts pledged for the last four replenishments (\$ billion)

	Fifth replenishment 2017–2019	Fourth replenishment 2014–2016	Third replenishment 2011–2013	Second replenishment 2008–2010
Target	13.0 b	15.0 b	13.0–20.0 b <sup>1</sup>	12.0–18.0 b <sup>1</sup>
Amount pledged <sup>2</sup>	12.9 b	12.0 b	11.7 b	9.7 b

Notes:

<sup>1</sup> For the Second and Third Replenishments, the Global Fund set a range of targets based on multiple scenarios.

<sup>2</sup> This row shows total pledges made at the replenishment conferences held in September or October of the year preceding each replenishment period. Note that in each replenishment period, some pledges are made after the replenishment conference, though the amounts involved are not very significant (for example, about \$100 million for the Fifth Replenishment). Historically, virtually all pledges have been converted into contributions.

The Global Fund says that contributions of at least \$14.0 billion would enable the Global Fund to save 16.0 million lives in the period 2021–2023; reduce mortality rates by more than half by 2023 (over 2017 levels); and avoid 234.0 million infections. It would also enable programs supported by the Global Fund to accelerate progress towards Sustainable Development Goal 3 and universal health coverage; to strengthen health care systems; and to tackle inequities in health (such as human rights– and gender-related barriers).

The figure below shows projected incidence and mortality rates for the three diseases combined based on different funding scenarios.

Figure: Actual and projected incidence and mortality rates using different funding scenarios

Source: Step Up the Fight: Investment Case Summary — Sixth Replenishment 2019 (Global Fund)

The Investment Case states that total funding from all sources should grow from \$66.0 billion in the current cycle (2018–2020) to at least \$83.0 billion for the next cycle (2021–2023), an increase of \$17.0 billion.

(The cycles referred to in the previous paragraph are three-year grant implementation periods. These are slightly different from replenishment and allocation periods. The grant implementation periods are one year further out. To illustrate, the majority of implementers who are informed of their allocation for 2020–2022 towards the end of 2019 will submit their funding proposals in the first half of 2020 and will start implementing their new grants in January 2021. Their implementation period will be 2021–2023.)

The Global Fund said that most of the \$17.0 billion increase will come from increased domestic funding. The Investment Case projects that domestic funding will rise from \$31.1 billion in 2018–2020 to \$46.0 billion in 2021–2023 an increase of \$14.9 billion or 48%. (The \$31.1 billion and 14.9 billion figures were calculated by Aidsplan based on the information in the Investment Case summary.)

The \$83.0 billion figure does not represent the total need. The \$83.0 billion figure is the level of funding that the Global Fund projects can be achieved for the 2021–2023 period. The investment case states that the estimated total need is actually \$101.0 billion. So, if \$83.0 million is raised, there would still be a shortfall of \$18.0 billion. (See Table 3.)

Table 3: Estimated need and projected funding for 2021–2023 (as per the Investment Case)

Reaction from civil society

As we said in an [article](#) in the last issue of GFO, some civil society organizations involved with the Global Fund have declared that the investment case is not ambitious enough with respect to the existing needs and gaps in the HIV, TB and malaria responses.

The Global Fund Advocates Network (GFAN) said in a [statement](#) that the \$14.0 billion target is not enough to significantly step up the response to the three diseases. In a [report](#) released in July 2018, the Global Fund Advocates Network (GFAN) had called for a replenishment of between \$16.8 billion and \$18.0 billion.

“The \$14 billion is critically needed to maintain current lifesaving programming [and to] ensure people currently supported will not be left without treatment or protection,” GFAN stated, “but without evidence, we believe it may not be sufficient to scale the response needed to get us back on track to meet our global targets.”

“As the investment case itself highlights,” GFAN said, “the most effective — and only — way to sustain the gains over the long term, in the face of resistance and other threats, is to end these epidemics. We know how to accelerate the end of these diseases, we have the tools and science, but without significantly higher levels of global funding, including for the Global Fund, we simply are not going to get there by 2030.”

In a [news release](#) published by several civil society organizations on 17 January, Maurine Murenga, who represents Communities on the Global Fund Board, said that “\$14 billion is the floor and not the ceiling and represents more of a maintenance than a scaled-up response.”

“If we don’t prevent teens, particularly girls, from getting infected with HIV, the massive increase in the youth population in Africa will lead to more new infections than [we experienced] at the height of the epidemic in the early 2000s.”

#### – Investment Case

Ms Murenga added, “We need to give the Global Fund, which is a unique and powerful mechanism in the fight against the three diseases, the ability to do more and to get back on track. This means the need for increased political commitment and resources from all donors to go above and beyond the \$14 billion ask.”

On 16 January, a group of global NGOs said in a [statement](#) that “advocates are questioning the rationale for a financing goal of only \$14 billion to meet the needs of the tens of millions of people who are directly affected by AIDS, tuberculosis and malaria.”

The Global Action for Gay Men’s Health and Rights (MPACT), the Global Action for Trans Equality (GATE), the Global Network of People Living with HIV (GNP+), the Global Network of Sex Work Projects (NSWP), and the International Network of People Who Use Drugs (INPUD) said that they are “extremely concerned that the Global Fund’s unambitious investment case will provide for, at best, only the maintenance of existing treatment, care and prevention targets over the next three years.”

More worrisome, they said, is that this recent announcement “sets the stage for a rollback, or even a reversal, of political commitments made by U.N. member states towards achieving the 2030 Fast Track targets, the 25% target set for prevention, the Sustainable Development Goals, as well as the Global Fund’s own 2017–2022 Strategy.”

On 25 January, [Devex](#) reported that 137 members of the U.S. Congress sent a letter to the Trump administration asking for an increase in the U.S. contribution to the Global Fund. The letter does not

include a specific funding request, in part because it was drafted before the Global Fund announced its \$14 billion target. But Chris Collins, president of Friends of the Global Fight, said the U.S. should contribute about \$4.8 billion (\$1.6 billion a year). The U.S. pledged \$4.3 billion for the last replenishment in 2016.

In another development, at the World Economic Forum meeting in Davos (22–25 January), Bill Gates, Bono, Seth Berkley (E.D. of Gavi, the Vaccine Alliance) and other leaders joined Global Fund E.D. Peter Sands in calling on the private sector to mobilize at least \$1.0 billion for the Sixth Replenishment. For the Fifth Replenishment, the private sector pledged about \$850 million (this includes \$632.0 million from the Gates Foundation). (Source: Global Fund [news release](#) and its [pledges and contributions spreadsheet](#).)

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