



Independent observer  
of the Global Fund

## FUND SETS \$13 BILLION REPLENISHMENT GOAL

The Global Fund has set a fundraising target of \$13 billion for its Fifth Replenishment for 2017-2019. This is \$2 billion less than the target it set for the Fourth Replenishment for 2014-2016, but almost exactly \$1 billion more than actual pledges received by the time of the Fourth Replenishment conference in 2013.

This information is contained in a report describing the Fund's investment case for the Fifth Replenishment, which was released publicly on 17 December, the day of the replenishment preparatory meeting in Tokyo, Japan.

If the \$13 billion goal is reached, the Global Fund said that this would result in savings of up to eight million lives through programs supported by the Fund, and avert up to 300 million new infections across the three diseases.

The Fund said that an investment of \$13 billion would also lead to economic gains of up to \$290 billion over the coming years and decades. This figure is based on broad estimates by partners on the return on investment for implementing each of their respective global plans. These estimates assess the economic value of better health and a more productive society through productivity and consumption gains, including through household savings, and calculate that each person who goes on lifesaving treatment is a potential contributor to the economic health of a community.

The Fund said that because of the significant progress made in recent years, the world is on the "right side of the tipping point," to control the three diseases provided increased investments are forthcoming and provided they are used more effectively. Without strong investment, the Fund said, progress could be reversed and there could be an alarming resurgence of the diseases.

According to the investment case, total funding for 2017-2019 required to fight the three diseases in

countries where the Global Fund invests is \$97.5 billion. The estimated funding needs are based on global plans produced by the Fund's partner organizations. These plans include:

- [Fast Track – Ending the AIDS Epidemic by 2030](#), published by UNAIDS prior to World AIDS Day 2014;
- [UNAIDS Strategy 2016-2021](#), published in 2015;
- [The End TB Strategy](#), published by the World Health Organization in 2014;
- [The Global Plan to End TB](#), published by the Stop TB Partnership in 2015;
- [The Global Technical Strategy for Malaria 2016-2030](#), endorsed by the World Health Assembly in May 2015; and
- [Action and Investment to Defeat Malaria](#), published by the Roll Back Malaria Partnership in 2015.

The Global Fund said that all three global plans have included elements of health systems in their costs, to varying degrees.

Table 1 provides a breakout of the funding needs for 2017-2019 by disease.

Table 1: Breakout by disease of estimated funding needs for 2017-2019

Disease	Estimated needs (\$)
HIV	66.1 billion
TB	17.7 billion
Malaria	13.7 billion
Total	97.5 billion

The Global Fund's \$13 billion target represents 13% of the estimated funding needs. The Global Fund projects that domestic financing will continue to grow significantly and that funding from external donors other than the Global Fund will remain steady. Projections for the Global Fund, other donors and domestic investments combined represent only 80% of the total estimated funding need for 2017-2019, leaving a funding gap of \$19.5 billion. Table 2 provides a breakout by source of funding.

Table 2: Breakout by source of funding for estimated funding needs for 2017-2019

Source	Estimated needs	
	\$	%
Domestic investments	41.0 billion	42%
Global Fund	13.0 billion	13%
Other Donors	24.0 billion *	25%
Funding gap	19.5 billion	20%
Total	97.5 billion	100%

\* The investment case actually estimates the Other Donors share at \$23.4 billion. However, if we use that figure in Table 2, we would need to alter either the total (\$97.5 billion) or the funding gap (\$19.5 billion) which would conflict with information found elsewhere in the investment case. The investment case does

not mention a figure for the funding gap, but says that investments from domestic sources, other donors and the Global Fund combined would reach 80% of the estimated funding need.

The Global Fund said that total funding needs are expected to peak in 2020 and then decline. It also said that the Fund's share of the total resources allocated to the three diseases will decline beginning with the Fifth Replenishment. (See the figure below).

Source: Global Fund Investment Case Summary – Fifth Replenishment 2017-2019

According to the Global Fund, domestic financing is significantly increasing and already accounts for more than half of funding for HIV, more than three-quarters for TB and around a quarter for malaria. Nevertheless, the Fund said, external financing remains essential.

Comparisons to the funding need estimate for 2014-2016

The funding needs estimate of \$97.5 billion is 12% higher than the \$87 billion funding needs estimate produced for the Fourth Replenishment. Tables 3 and 4 provide a breakout of the two sets of estimates by, respectively, disease and source of funding.

Table 3: Comparison of the funding needs estimate, 2017-2019 vs. 2014-2016: by disease (\$)

Disease	Fifth replenishment	Fourth replenishment
	2017-2019	2014-2016 *
HIV	66.1 billion	58.0 billion
TB	17.7 billion	15.0 billion
Malaria	13.7 billion	14.0 billion
Total	97.5 billion	87.0 billion

\* The estimate for 2014-2016 was prepared in 2013.

Table 4: Comparison of the funding needs estimate, 2017-2019 vs. 2014-2016: by source of funding (\$)

Source	Fifth replenishment		Fourth replenishment	
	2017-2019 *		2014-2016 *	
	\$	%	\$	%
Domestic investments	41.0 billion	42%	37.0 billion	43%
Global Fund	13.0 billion	13%	15.0 billion	17%
Other Donors	24.0 billion	25%	24.0 billion	28%
Funding gap	19.5 billion	20%	11.0 billion	13%
Total	97.5 billion	100%	87.0 billion	100%

\* The estimate for 2014-2016 was prepared in 2013. See explanation of the Other Donors share for 2017-2019 in the note attached to Table 2.

The funding gap increased from \$11 billion in the 2014-2016 funding needs estimate to \$19.5 billion in the estimate for 2017-2019.

However, Global Fund officials caution against reading too much into the comparison between the two sets of numbers because, they say, a much more rigorous methodology was employed for the 2017-2019 estimates.

## Analysis

Some questions are bound to be raised about the decision to go with a goal that is \$2 billion lower than the \$15 billion goal of the Fourth Replenishment. Why would the Fund be lowering its sights at a time when the needs are growing? The \$13 billion goal for 2017-2019, should it be reached, will still leave an unfunded gap of \$19.5 billion.

On the other hand, given the current economic and political context, and the competing demands for development and other aid, perhaps the \$13 billion goal is more realistic. And perhaps it is a goal that is reachable. Falling \$3 billion short of its \$15 billion goal for 2014-2016 did not exactly enhance the Fund's image.

And the Global Fund can argue that with domestic investments in the three diseases and in health systems continuing to increase at a rapid pace, there is less need now for external financing, including from the Fund.

Finally, \$13 billion is still \$1 billion (or 8%) higher than what was raised in the last replenishment. For countries with currencies that have depreciated significantly against the US dollar, the increase is more like 20%.

Some questions may also be asked about whether the \$97.5 billion funding needs estimate fully reflects what the actual needs are.

The estimated needs for HIV is \$66.1 billion. There have been several developments in the last three years, including UNAIDS' new 90-90-90 strategy – by 2020, 90% of people living with HIV know their status; 90% of these people tested will be on treatment; and 90% of those on treatment will be virally suppressed – and new treatment guidelines which call for people who are diagnosed with HIV to be put on treatment immediately, which are expected to add significant costs of fighting HIV. Have these additional costs been fully factored into the needs estimate? Global Fund officials say they have.

For TB, it is worth noting the funding needs estimate is based on the standard investment scenario outlined in the Global Plan to End TB, where its 90-(90)-90 treatment targets are reached in 2025, as opposed to a more accelerated strategy, also described in the Global Plan, whereby these targets are reached in 2020. (In the TB world, 90-(90)-90 means 90% of all people with TB diagnosed and put on treatment; 90% of key populations reached as part of this approach; and 90% of all people diagnosed with TB treated successfully.)

And for malaria, the investment case noted that the costs of implementing the Global Technical Strategy for Malaria may be underestimated because they do not include new tools that are expected to be costlier yet will be essential to fight the emergence and spread of drug and insecticide resistance.

In addition, the investment case said that the Global Plans for the three diseases have included elements of health systems in their costs “to varying degrees,” which may raise questions about whether the costs of health systems strengthening have been adequately covered in the funding needs estimates.

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