



Independent observer  
of the Global Fund

## FUNDING THE FUND

In his State of the Union address on 28 January, US President George Bush made a dramatic commitment to provide \$10 billion of new funding for AIDS over the years 2004-2008, in addition to the \$5 billion of expenditure already projected for that period.

Almost completely unreported was the fact that activists and NGOs in Washington DC had been working assiduously over the previous few months to persuade the President to announce, in January, a “Presidential AIDS Initiative” (see, for instance, [www.healthgap.org/PAI.html](http://www.healthgap.org/PAI.html)). This, under a different name, is exactly what he did.

Below, we reprint excerpts from three articles that evaluate President Bush’s initiative, and that comment on the implications for the Global Fund.

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### Lone Rangers No Use in AIDS War

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by Jeffrey Sachs, in an article in Business Day (South Africa), 5 February 2003

President George Bush made a breakthrough in last week’s state of the union address by pledging \$15bn of US support over the next five years to fight AIDS in Africa and the Caribbean. [...]

The US commitment to increase its spending by \$10bn is the first time that an appropriate level of financial resources has been put into the battle by either the US or Europe. But disappointment comes in

the fine print. The US, as is its wont these days, has decided to go it alone. The new programme is designed to be run by US agencies rather than going through the Global Fund to Fight AIDS, TB, and Malaria, the international initiative that is best placed by far to achieve the global goals of curbing the three pandemic diseases.

Of the new US funding, only \$1bn over five years is to go through the Global Fund. It is now up to European nations to ensure success in the scaled-up campaign against the killer diseases. They could do so by matching the US financial commitment, and pulling the US back into the fold within the Global Fund.

As a recent convert to the war on AIDS, the US administration has latched on to a simplistic vision of what to do, based on the example of a single country — Uganda. It knows little of the measures in place in different parts of the world, and has not recognised that each country needs to shape the best local response. It is here that the Global Fund plays an important role.

The fund is organised as a consortium of donors and recipient countries, civil society and business. It is set up to encourage rigorous and sensible plans that meet local needs. Specifically, the fund invites the leading stakeholders within each recipient country to prepare a unified national plan.

If this is approved by the fund, it is supported by a single pool of unified financing. To ensure results, the fund insists on a technical review by an expert panel as well as an extensive system of monitoring, evaluation and audits once a programme starts.

The fund builds on an important recent insight of the European donor agencies, that support is most effective when the donors pool their resources to support a single coherent strategy — known as a sector-wide approach.

Otherwise, each country has to grapple with 20 or more separate aid agencies, each with its own quirks, politics, reporting requirements and tied aid.

The US plan would undermine a sector-wide approach by pushing AIDS control back to a scramble of individual donor projects.

In just one year of operation, the fund has energised the fight against AIDS, tuberculosis and malaria all over the world.

Of the 14 countries targeted by the new US effort, 13 are already receiving Global Fund support, a point overlooked in the US initiative. Only last Friday, the fund approved another \$866m for programmes across 60 countries.

The US effort is a bold part, but only a part, of the total financing needs. Its limits are implicit in the fact that it is directed only at AIDS (not malaria and TB), and only at 14 countries. The Global Fund has said it will require new donor support of about \$7bn this year and next to meet the needs of the high-quality proposals that it is considering.

A reasonable financing framework is clear. Europe should match the US initiative with its own \$3bn a year, while Japan and other donors should contribute at least \$1bn a year in addition. That would make a total of at least \$7bn a year during 2003 and 2004.

Half of that should be devoted to the Global Fund, and the other half spent on programmes that would bolster, rather than undermine, the Global Fund.

Silence from Europe at this moment would be deadly for the Global Fund. If the US is the only country to put up large new sums for the war against AIDS, then it will be a US programme.

On the other hand, with a bold European response to Bush's initiative, the transatlantic alliance — under great strain over Iraq — would prove to the world that it continues its historic commitments to freedom and human betterment. Impoverished and dying people around the world await a clarion call from the US and Europe together.

[Jeffrey Sachs is Director of the Earth Institute at Columbia University, and Chairman of the WHO's Commission on Macroeconomics and Health]

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## Responding to President Bush's State of the Union address

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by Stephen Lewis, in a speech in Johannesburg, South Africa, 29 January 2003

[...] The President's announcement is a significant announcement. It gives leverage to activists everywhere to keep the pressure on. It transforms the response; it opens the floodgates of hope.

Most important, it issues a challenge to every other member of the G7 — the UK, France, Germany, Japan, Italy and Canada — to follow suit. The international financial delinquency that has haunted the response to AIDS in Africa is hardly that of the United States alone; it extends, without exception, to all the wealthy donor nations.

But the G7 carries the moral burden. The next G7 Summit is in France in June. Between now and then, every single member must announce its contribution to the struggle against AIDS overall, and to the Global Fund in particular. The Summit itself should initiate the most far-reaching, imaginative plan of action to confront this communicable scourge that the world has ever seen. [...]

[Stephen Lewis is the UN Secretary-General's Special Envoy for HIV/AIDS in Africa]

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## Of Aid and AIDS

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by John Gershman, in an article in Foreign Policy in Focus, February 5, 2003

Of all the policy proposals in his State of the Union address, perhaps the most surprising — and the one for which President Bush has received the most kudos — was his announcement that the administration will propose \$15 billion over five years to combat HIV/AIDS abroad. The proposal marks a significant departure for a Republican administration, and is widely recognized as a positive step. The initiative appears driven by a combination of pressure from activists outside the administration, support by administration officials like Secretary of State Colin Powell, National Security Adviser Condoleezza Rice, and Senate Majority Leader Bill Frist, and the administration's need to be seen as promoting something that is of concern to African-American advocacy organizations in the aftermath of the Trent Lott fiasco.

While generally viewing the proposal positively, many AIDS activists and experts are still waiting to see

whether the administration will actually be able to wrestle the money away from a less enthusiastic Republican-controlled House of Representatives. Furthermore, they have expressed concern that even in this forward-looking proposal the Bush administration has slighted multilateral efforts to combat HIV/AIDS — particularly the Global Fund to Fight AIDS, Tuberculosis, and Malaria — in favor of a renewed emphasis on bilateral initiatives. Only \$1 billion of the \$15 billion total is scheduled to be channeled to the Global Fund. [...]

At the Global Fund's recent board meeting, executive director Richard Feachem noted that the Global Fund needs \$6.3 billion in 2003 and 2004 alone and that so far \$1.2 billion has been pledged for that time period. [...]

AIDS activists and experts note that the Bush plan back loads a significant chunk of the \$15 billion into the end of the five year period. (For example, only \$2 billion is allocated for fiscal year 2004). This delay is costly in terms of lives lost and greater expenditures later to treat people who might be prevented from contracting HIV today. "The current situation requires a substantial front-loaded capital investment to scale up existing efforts," said Prof. Richard Feachem, executive director of the Global Fund. "The programs are ready. Any delay now will be measured by millions of lives lost and billions of dollars of additional cost to later respond to the expanded epidemics." [...]

The Global Fund has already demonstrated capacity, is scaling up existing effective programs, and has brought together governments, civil society organizations, and the private sector. Unfortunately even when it wants to do a good thing, the Bush administration appears unwilling to surrender its unilateralist impulses.

[John Gershman is Asia/Pacific editor for Foreign Policy in Focus]

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