



Independent observer
of the Global Fund

DEVELOPMENTS REGARDING RESOURCE MOBILIZATION

At the April meeting of the board's Resource Mobilization Committee, there were varied views regarding the "cruising altitude" (that is, the amount to be spent annually) at which the Fund should eventually level out. Dr. Feachem said he was aiming at \$7-8 billion per annum. Some delegates agreed, or wanted higher. But some delegates from donor countries said they were shocked at Dr. Feachem's figure; they were thinking of much less.

A closely related issue was that of how the Fund's expenditure level should be determined for each Round. In Rounds 1 and 2, the Fund spent an amount equal to the cost of the proposals recommended by the Technical Review Panel (TRP). This became known as the "demand-based" approach. But some donors preferred the "supply-based" approach, in which governmental donors decide how much to give; then foundations, corporations and members of the public add to this; and the resulting amount is how much the Fund will spend.

It became clear – although not explicitly articulated – that the board has three options: The first is to use the "supply-based" approach and to go for a low "cruising altitude". The second is still to use the "supply-based" approach, but aggressively to go for a high "cruising altitude". The third is to treat the three diseases (particularly AIDS) as a global emergency, and to follow the "demand-based" approach, going all out – as in a war – to raise however much money is needed.

There was no resolution to these discussions. Such decisions will probably be left to – or ducked by – the full board.

NGOs participating in the meeting reported on the activities of the newly-formed “Fund the Fund” coalition of NGOs around the world that wish to pressure their governments for increased donations to the Global Fund. (See www.fundthefund.org for organizational and campaign information and an Advocacy Guide.)

At the end of April, there was a planning meeting in Paris to prepare for a conference on the Fund that will be hosted by France on July 16, shortly after the G8 summit. As a result of pressure from some donors, ambitions for this event have been somewhat scaled back. First it was referred to as a “donors’ conference,” but now it is referred to as an “International Meeting to Support the Global Fund.” President Chirac will be the closing speaker. Organizers are hoping that the United States will co-chair the event, though the US did not attend the planning meeting. Invitees will include government ministers, senior development officials, corporate and foundation executives, and NGOs.

And the Wall Street Journal reported on 7 May that “Mr. Thompson [Chair of the Global Fund] plans to visit Brussels, Berlin, Stockholm and Geneva in coming weeks to discuss the fund’s financing needs. And wealthy nations may use next month’s Group of Eight summit in Evian, France, or July’s donor meeting in Paris as opportunities to boost their pledges. Mr. Thompson’s spokesman, Bill Pierce, said the secretary is just beginning his fund-raising efforts. “He’s going to take this on directly,” Mr. Pierce said. But Mr. Thompson may have a hard time convincing potential donor governments, some of whom feel they’re more generous than Washington when it comes to overall foreign aid. While France is expected to increase its pledge to the fund, Germany, Japan and Britain appear to be balking at major boosts.”

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