



Independent observer
of the Global Fund

GLOBAL FUND ANNOUNCES LAUNCH OF ROUND 5

The following is a press release issued by the Global Fund within the past hour. GFO is present in Arusha, and after the board meeting closes at the end of tomorrow, Friday November 19, GFO will send out a further issue providing information on this and other important decisions made at the meeting.

18 November 2004

Global Fund Board Agrees to Launch New Round of Proposals

Round 5 to be approved in September 2005 following high-level sessions to pledge multiyear resources to the Global Fund

Arusha, Tanzania – Following a high-level session with the Presidents of Kenya, Tanzania and Uganda and the United Kingdom Secretary of State for Development, the Board of the Global Fund decided today to call for a fifth round of proposals in March, to be considered for approval by the Board in September.

The Chair of the Board, United States Secretary of Health and Human Services Tommy G. Thompson said of the decision, “The Board is proud to announce a 5th round of funding that will deliver critical aid in our fight against AIDS, TB and malaria. Today’s unanimous decision reflects the Board’s unwavering commitment to turning the tide against these diseases and ensuring the long-term viability and accountability of the Global Fund. I applaud all Board members for reaching a consensus that provides hope for the suffering while affirming the Fund’s need to proceed with responsibility and fiscal prudence.”

The Global Fund calls for grant proposals, which are evaluated by an independent Technical Review Panel. Proposals of high quality are recommended to the Board for funding. The Global Fund Board approves programs for two years with an option to renew funding for another three years if the programs

achieve targeted results. Since it was created in January 2002, the Global Fund has committed \$3 billion in two-year grants to 128 countries.

The Vice-Chair of the Board, Executive Director of the French non-governmental organization AIDES, Helene Rossert-Blavier, added, "A new round of proposals will ensure that the Global Fund continues to expand its funding. This will enable us to fulfill the hopes of millions of people around the world by providing more people with AIDS, TB and malaria treatment and increase prevention efforts."

The approval of Round 5 in 2005 will raise funding requirements in that year to \$2.4 billion, with \$1.4 billion needed for the renewals of existing grants. Regardless of the timing of new grants, roughly \$2.7 billion will be additionally required for renewals after 2005.

The Global Fund's Executive Director, Richard Feachem, added, "The Global Fund is three years old, and as it moves forward we face the dual challenge of making current grants work as quickly and effectively as possible and raising more money to meet the urgent need to scale up prevention and treatment in countries with acute needs. Today's decision by the Board shows its commitment to meet these challenges."

The decision by the Board follows a meeting in Arusha of African Heads of State, where a statement by the United Nations Secretary-General applauded the Global Fund for "firmly establish[ing] yourselves as one of the leading financial mechanisms in the global fight against the three diseases."

At this meeting the British Secretary of State Hilary Benn joined the Heads of State in calling for an urgent launch to Round 5 and affirmed the intention of the United Kingdom to focus its 2005 Presidencies of the Group of Eight (G8) and the European Union (EU) on development and on Africa. As part of that commitment, Benn offered that the UK will host a replenishment conference for the Global Fund in September 2005.

The Global Fund uses a voluntary replenishment mechanism, whereby donors can make multiyear pledges to the Global Fund at replenishment conferences. The Board nominated UN Secretary General Kofi Annan as the Chair of the Replenishment Mechanism and the Director of the International Task Force on Global Public Goods, Sven Sandström, as Vice-Chair. The first replenishment mechanism will take place in 2005. An initial meeting will be held in Stockholm in March, with a final meeting in the UK in September, at which time donors will make new pledges to the Global Fund. Most, but not all, of the Global Fund's major donors will participate in this process.

The Global Fund is holding its first Board Meeting in Africa this week. Board members and partners also visited Global Fund projects in Kenya, Rwanda and Tanzania to see the progress of Global Fund grantees. Rwanda, for example, has used Global Fund monies to establish 66 HIV counseling and testing centers and to place more than 5,000 people on AIDS treatment. The Board is also holding a retreat on Saturday to consider operational challenges facing the future of the Global Fund.

Roughly 60 percent of the Global Fund's committed funding is for HIV/AIDS, 30 percent for malaria, and the rest for TB. Also, roughly two-thirds of the allocated funds goes to countries in sub-Saharan Africa.

Note: Final decisions by the Ninth Board Meeting are pending the conclusion of the meeting on Friday, November 19, 2004.

Further information can be obtained from Patrick Bertrand, available in Arusha at +255 (0)745 317 702.

The Global Fund is a unique global public-private partnership dedicated to attracting and disbursing additional resources to prevent and treat AIDS, tuberculosis and malaria. This partnership between governments, civil society, the private sector and affected communities represents a new approach to

international health financing. The Fund works in close collaboration with other bilateral and multilateral organizations to supplement existing efforts dealing with the three diseases.

Apart from a high standard of technical quality, the Global Fund attaches no conditions to any of its grants. It is not an implementing agency, instead relying on local ownership and planning to ensure that new resources are directed to programs on the frontline of this global effort to reach those most in need. Its performance-based approach to grant-making is designed to ensure that funds are used efficiently and create real change for people and communities. All programs are monitored by independent organizations contracted by the Global Fund to ensure that its funding is having an impact in the fight against the three pandemics.

Further information on the work of the Global Fund can be obtained from Tim Clark, Global Fund External Relations, tim.clark@theglobalfund.org or +41 (0)22 791 17 68.

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