



Independent observer
of the Global Fund

ITALY CANCELS A MAJOR PLEDGE TO THE GLOBAL FUND

Italy has apparently reneged on a pledge that it will give 100 million euros (133 million dollars) to the Global Fund by the end of this month.

In June 2003, at the Evian G8 summit, Italy pledged to give €100 million to the Global Fund in 2004 and as much again in 2005.

Italy has not yet contributed its 2004 pledge – meaning it has not contributed anything to the Fund since 2003.

Giuseppe Deodato, who is Director-General of Development Cooperation in the Italian Ministry of Foreign Affairs and is also a Global Fund board member, was recently quoted in the Italian media as saying “In 2004, Italy will not be able to pay its annual contribution to the Global Fund. This year, Italy, which together with Japan is one of the largest donors to the Global Fund, is having big problems honoring its commitment of €100 million.”

The media reported that this problem was due to cuts made by the Ministry of Finance to the 2004 budget of the Ministry of Foreign Affairs. It is believed that one reason why such cuts have been necessary is that Italy committed to spend €500 million on military “peace missions” in Iraq during 2004.

Italy has not indicated whether the €100 million it promised in 2004 will instead be paid in 2005. Nor has it indicated whether the separate 2005 pledge of €100 million will be paid or will be cancelled.

This is the first time that any country has cancelled a pledge to the Global Fund.

There has in the past been an informal understanding among Global Fund donors that in order to have a

seat on the Global Fund board, a country (or group of countries) must contribute at least \$100 million to the Fund each year. The only countries that currently hold un-shared seats on the Global Fund board are Italy, Japan, and the USA. Italy's decision means that its board seat is in jeopardy.

Mr. Deodato has not responded to requests by GFO for comment.

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