



Independent observer
of the Global Fund

Stephen Lewis on the Private Sector's Role in Funding the Global Fund

[The following is an excerpt from a statement issued on December 1, World AIDS Day, by Stephen Lewis, Special Envoy for HIV/AIDS in Africa of the UN Secretary-General, and former Canadian Ambassador to the UN.]

The Global Fund to Fight AIDS, Tuberculosis and Malaria – the best financial vehicle by far to help break the back of the pandemic – is in terrible trouble. It is over three billion dollars short for 2006 and 2007, and that shortfall will doom millions to death in the following years unless something drastic is done, and fast.

What has happened was completely unexpected. The G8 leaders met at Gleneagles in July, and emerged with ringing promises of financial assistance for Africa. The first test of those promises came just eight weeks later, in early September, at the replenishment conference for the Global Fund. The G8 flunked the test. The assumption was that the Global Fund would go right over the top given the rhetoric of the Gleneagles Summit, but instead, having requested \$7.1 billion, the Global Fund fell billions short.

It's fair to say that everyone was stunned. It took only eight short weeks for the G8's signed agreement to fall apart.

I've just spent the last three days in Rwanda at the regional conference of the Global Fund for East Africa and the Indian Ocean. It's absolutely astonishing to see how determined the countries are to achieve the goal of universal treatment by 2010, but they're frightened by the prospect of not having sustainable resources. They know they can't interrupt treatment once it's started, but what guarantee do they have, under present circumstances, that the G8 will be by their side as promised?

All they can count on, for certain, is betrayal.

That must somehow be reversed. The year 2005 showed that treatment is possible in great numbers, and there is a strong sense that if the momentum can be sustained, the back of the pandemic can be broken. But that will depend on a continuing, reliable flow of resources. It depends on the commitments of the G8 being honoured. With the loss of honour goes the loss of life.

However, in addition to keeping the pressure on governments, we need a new source of dollars. That source must be the private sector. It was always hoped – indeed, even expected – that private sector money from major multinational corporations would help to keep the Global Fund going. It hasn't happened. The contributions are negligible. It's as though most of the private sector doesn't know the Global Fund exists.

I want to suggest that companies contribute 0.7% of pre-tax profits annually to the Global Fund. To maintain the symmetry with governments and the Millennium Development Goals, they should phase the money in and reach the full target by 2015. Which corporations? Pretty obviously, I think, the big multinational corporations that have exacted such huge wealth from Africa's mineral, diamond, oil and other resources over the decades, and certainly the pharmaceutical industry, which resisted the lowering of drug prices for an unconscionable length of time.

But there may be an even better and fairer way to select the corporate contributors. The Global Business Coalition on HIV/AIDS has a membership of some two hundred multinational corporations. Many of these corporations deal admirably with their workforces, providing antiretroviral drugs to their workers where necessary, and sometimes to the workers' partners and children. Others of these corporations make in-kind contributions, or investments in research and training centres. But the true expression of corporate social responsibility would be a 0.7% contribution to the Global Fund. If the principle spread, the dollars would mount unto the billions.

There's no reason to feel cynical about such a proposition. People mocked when Gordon Brown talked of his International Finance Facility, but now it's well and truly launched. People mocked when France advanced the idea of a tax on airline travel to fund development, but now President Chirac seems determined to proceed. There's room for every genuine initiative.

This effort would show the world that the pandemic can be beaten.

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