



Independent observer
of the Global Fund

Donors Meet to Review Global Fund Progress

Representatives of over twenty donor governments met in Durban yesterday and today for a Mid-Term Review of the first “Replenishment” period of the Global Fund, covering 2006-7. The primary purpose of the meeting was for donors to receive presentations from the Secretariat regarding the Fund’s progress thus far. This will enable individual governments to make decisions during the coming months regarding their response to the Fund’s current financial shortfall, and to plan also for the donor meetings next year that will discuss funding for the years 2008-10.

The primary input to the meeting was the Fund’s “Mid-Year Results Report 2006”, which is available, with other meeting documentation, at www.theglobalfund.org/en/about/replenishment/durban. This report, which was summarized in the article “New Global Fund Impact Data” in GFO Issue 60, provides the most extensive data published thus far on the Fund’s impact, as against just its expenditure.

Another important input was the Fund’s 2006 “Resource Needs” document, available at the above web page. As summarized in the following table, this shows that as of just over a month ago, the Fund still needed to raise almost \$1 billion in new pledges this year and just over \$1 billion in new pledges next year. Putting it another way, the Fund has secured sufficient pledges to cover the costs of Phase 2 renewals of its Round 1-5 grants, but has raised almost none of the cost of Round 6 (for which proposals must be submitted by August 3) or Round 7 (which is currently anticipated to be launched next year).

	2006	2007
Phase 2 renewal of Round 1-5 grants	\$1.7 b.	\$1.4 b.
Estimate cost of Phase 1 of Rounds 6 and 7	\$1.1 b.	\$1.3 b.

Thus, total need	\$2.8 b.	\$2.7 b.
Less, pledged as of end May 2006	\$1.9 b.	\$1.5 b.
Thus, current shortfall	\$0.9 b.	\$1.2 b.

The Fund’s estimated needs increase from about \$2.75 billion per year in 2006 and 2007, as shown above, to between \$4 b. and \$6 b. annually by 2010, depending on what assumptions are made about the number of good quality applications received in future Rounds.

The Fund’s needs – and its current shortfall – will be considerably higher if the Fund is to cover the same share of needed global expenditure on fighting the three pandemics in the future as it has paid of actual expenditure in the past. This is because global expenditures must climb rapidly if the world is to achieve the treatment targets that it has committed itself to in recent months.

[Note: GFO was invited to attend the Replenishment Meeting as an observer, on condition that it did not report on “who said what”, and did not report on any other aspect of the discussions that took place prior to the Chair’s Summary Report being posted at the Global Fund web site, which is expected to happen soon.]

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