

U.S. Confirms Major Pledge to Fund; Some Other Donors Backtrack

The United States Congress agreed on April 15 that the U.S. will give \$1.05 billion to the Global Fund during the fiscal year that ends on 30 September 2011. This is the same amount that the U.S. committed for the previous year.

The path to this agreement was not an easy one. At the Fund's replenishment meeting last October, the U.S. pledged, subject to Congressional approval, to give \$4 billion over the three years 2011-2013 – an average of \$1.33 billion per year. Before the U.S. mid-term elections last November, at a time when both the House and Senate were controlled by the Democrats, Congress provisionally agreed on \$1.05 billion for this year. But then, after Republicans took control of the House, they moved to cut this to \$0.6 billion. Eventually, after much backroom negotiation, agreement was arrived at regarding the \$1.05 billion figure, Congress passed the legislation, and President Obama signed it.

However, one standard aspect of such legislation is that the U.S. will give no more than 33% of the total given by all countries to the Fund. Thus, if other donors do not give twice as much as the U.S. has said it is willing to give, the U.S. contribution will be reduced.

It is not yet known whether other donors will give twice as much as the United States has promised. One problem is that a new trend has emerged whereby a few donors do not live up to their commitments. The most notable example of this is Italy, which has not paid any part of its 2009 and 2010 pledges of \$183 million per year. In addition, Spain has only paid \$134 million of the \$250 million it pledged for 2010, and Ireland has only paid \$11 million of the \$48 million it pledged for 2010. France, Netherlands and the U.S. have also not yet fully paid their 2010 pledges, but the Fund is confident that these three countries will deliver on their pledges, albeit late.