



Independent observer  
of the Global Fund

## Global Fund Seeks to Increase Contributions from Corporations and Foundations

On 1 June 2010, the Global Fund issued a press release to announce that PRODUCT RED, the Global Fund's largest private sector contributor, has now contributed more than \$150 million to support Global Fund HIV/AIDS programmes in Rwanda, Lesotho, Swaziland, Ghana, Zambia and South Africa.

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PRODUCT RED brings together some of the world's leading companies as partners in a joint commitment to channel up to 50% of profits from (Red) products. The companies include American Express, Apple, Bugaboo, Converse, Gap, Emporio Armani, FLOWE(RED), Hallmark, Dell, Nike, Penguin and Starbucks.

According to the Global Fund, in 2008, contributions from private sector corporations and foundations, and other foundations, represented 6.6% of total contributions. The Fund aims to increase this proportion to 10% in the coming years.

Table 1 shows the contributions from individual corporations for the period 2001-2010. Table 2 shows the contributions from foundations for that same period.

Table 1: Contributions from Corporations (\$Million) as of 31 May 2010

| 2001-2008<br>combined | 2009 | 2010<br>(to date) | Total to date |
|-----------------------|------|-------------------|---------------|
|-----------------------|------|-------------------|---------------|

|                            |       |      |      |       |
|----------------------------|-------|------|------|-------|
| Chevron Corporation        | 10.0  | 10.0 | 10.0 | 30.0  |
| Comic Relief               | NIL   | 3.0  | 0.3  | 3.3   |
| (American) Idol Gives Back | 6.0   | 10.6 | NIL  | 16.6  |
| MAC AIDS Fund              | NIL   | 0.5  | NIL  | 0.5   |
| PRODUCT RED                | 121.7 | 18.9 | 10.3 | 150.9 |
| Total                      | 137.7 | 43.0 | 20.6 | 201.3 |

Table 2: Contributions from Private Sector and Other Foundations (\$Million)

as of 31 May 2010

|                                 | 2001-2008 combined | 2009  | 2010<br>(to date) | Total to date |
|---------------------------------|--------------------|-------|-------------------|---------------|
| Bill & Melinda Gates Foundation | 450.0              | 100.0 | 100.0             | 650.0         |
| Communitas Foundation           | 2.0                | NIL   | NIL               | 2.0           |
| UNITAID                         | 38.7               | NIL   | NIL               | 38.7          |
| UN Foundation                   | 4.3                | NIL   | NIL               | 4.3           |
| Total                           | 495.0              | 100.0 | 100.0             | 695.0         |

The above tables show only actual contributions. They exclude pledges which have been made but which have not yet been translated into contributions. In March 2010, the Global Fund announced that Takeda Pharmaceutical of Japan pledged to invest approximately \$1 million each year for ten years, from 2010 to 2019.

The Chevron contribution and the pledge from Takeda are part of the Corporate Champions Program launched by the Global Fund in 2008. The Fund says that it is “actively seeking” to expand this programme.

Idol Gives Back and Comic Relief are examples of contributions from media entities. In November 2009, "Big Brother Africa Revolution" seen in more than 45 countries" and the broadcaster MNet became the first Africa-based private contributors to the Global Fund. They have agreed to contribute a major portion of profits from text messaging during the programme's health week.

#### Other ways to contribute

In addition to contributing cash, the private sector can contribute to the Global Fund in several ways, including by supporting grant implementation" e.g., serving as principal recipients (PRs) and sub-recipients (SRs)" by taking part in co-investments, by making in-kind donations, and by donating a portion of profit made on certain investment products.

Examples of the private sector as PR are the Pilipinas Shell Foundation in the Philippines, the mining company AngloGold Ashanti in Ghana, and the National Electricity and Water Company of Benin. Examples of private sector SRs are the Nigerian Business Coalition Against AIDS, the Thailand Business Coalition on AIDS and the Confederation of Indian Industry.

Co-investments work well in cases where businesses already provide health care to staff through company-run clinics and where there is a lack of public health infrastructure. One example is the partnership between Unilever Tea and the National HIV/AIDS Care and Treatment Plan in Tanzania (NCTP). Unilever Tea Tanzania's in-house hospital at its Mufindi estate is one of 90 medical centres selected to provide free testing and ARVs as part of the NCTP. The company is providing comprehensive treatment and care to the entire community through its clinic. ARVs are paid for by the Global Fund grant and delivered by the Ministry of Health. By the end of 2008, 900 people living with HIV were being monitored, and 400 people living with AIDS were receiving ARV therapy. Unilever Tea Tanzania and its partners have set a target to reach 30,000 employees and their dependants out of a total local population of approximately 100,000 people.

In November 2009, the Global Fund Board agreed to accept donations of non-medical products to grant recipients on a limited, trial basis. The first such donation is one from the United Kingdom publisher Medkidz, which is providing 100,000 HIV-prevention and awareness comic books. The books are being distributed through Global Fund-financed HIV programs in Swaziland, the country with the highest HIV prevalence in the world.

In 2008, the Global Fund entered into a partnership with Standard Bank. The bank is providing financial and management expertise to recipients of Global Fund grants in selected African countries.

Finally, in April 2010, the Global Fund signed a memorandum of understanding (MoU) with the National Bank of Abu Dhabi to launch an exchange-traded fund (ETF) and list it on the Abu Dhabi Securities Exchange. The Global Fund will receive a portion of the licence and management fees generated by the ETF. The Global Fund has signed an MoU with the Dow Jones Indexes to explore a similar venture.

Some of the information for this article was taken from "Partnering for Global Health: The Global Fund and the Private Sector," at [www.theglobalfund.org/en/replenishment/hague/documents/](http://www.theglobalfund.org/en/replenishment/hague/documents/). The press release mentioned at the start of the article is at [www.theglobalfund.org/en/pressreleases/?pr=pr\\_100601](http://www.theglobalfund.org/en/pressreleases/?pr=pr_100601).

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