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of the Global Fund

Some Donors Announce Their Pledges to the Global Fund for 2011-2013

France has announced that it will contribute \$1.4 billion to the Global Fund during the three-year period 2011-2013, an increase of about 9% over its contribution during the period 2007-2009. France is one of five countries that have indicated this week how much they plan to contribute. Most countries will make their announcements at the Global Fund's replenishment meeting in New York on 4-5 October 2010. The other four countries that have announced are Japan (\$800 million, up 42%), Canada (\$520 million, up 36%), Norway (\$225 million, up 32%) and China (\$14 million, up 133%). (All monetary amounts in this article are in US dollars. Comparisons with earlier pledges are approximate because of exchange rate fluctuations.)

In early 2010, the Global Fund provided donors with three possible resource needs scenarios for the period 2011-2013:

- Resource Needs Scenario 1, which would cost \$13 billion, would allow for the continuation of funding for existing programmes. New programmes could only be funded at a significantly lower level than in recent years.
- Resource Needs Scenario 2, which would cost \$17 billion, would allow for the continuation of funding for existing programmes, and funding for new programmes at a level that comes close to that of recent years.
- Resource Needs Scenario 3, which would cost \$20 billion, would allow for the continuation of funding for existing programmes, and for well-performing programmes to be scaled up significantly, allowing in turn for more rapid progress towards achieving the health-related Millennium

Development Goals (MDGs).

Many people are hoping that the Global Fund will raise between \$17 and \$20 billion, but are apprehensive because of the current economic climate. (There are a number of initiatives underway to persuade donors to give generously to the Global Fund, including an online petition and a Global Week of Action organised by the Communities Delegation of the Global Fund Board with the support of a number of non-profit organisations – see www.globalfundreplenishment.org.)

Earlier this year, the Global Fund also released a Technical Note in which it outlined four possible formulae, or “contribution scenarios,” for obtaining the money that the Fund needs for 2011-2013. The scenarios are as follows:

- Scenario 1 (the “Pro-Rata” scenario): Each country contributes a share of the need that is equal to its share of all contributions given to the Fund during 2007-2009.
- Scenario 2 is based on each country’s share of contributions made to the International Development Association (i.e., traditional foreign aid), and is not pursued further here.
- Scenario 3 (the “Adjusted GNI” scenario): Each country contributes a share of the need that is equal to its share of global Gross National Income (GNI), adjusted by GNI per capita.
- Scenario 4 (the “0.7” scenario): This is a hybrid between Scenarios 1 and 3, in which the contributions of those countries whose “Scenario 1 contribution” is less than 0.7 (i.e., 70%) of their “Scenario 3 contribution” are increased to the 0.7 level. The contributions of the other countries are then reduced to “offset” these additional contributions.

(The four scenarios are discussed in more depth in “Which Countries Should Give How Much to the Global Fund?” in [GFO 117](#).)

To supplement the scenarios developed by the Fund, GFO developed a “bad scenario” to illustrate the possible thinking of some donors – Scenario 0 (the “No Increase” scenario), whereby each country contributes the same dollar amount per year that it has averaged in recent years, even though the need has increased significantly.

In the table below, we show what each country’s contribution would be if it followed Scenario 0, and if it followed Scenarios 1, 3 or 4 for both the \$17 billion and \$20 billion targets. All these numbers are as published by the Global Fund. In the last column of the table, we record the pledges announced so far.

Table: Amounts that donors might contribute to the Global Fund to meet the \$17 billion and \$20 billion targets for 2011-2013, as per various scenarios, plus the amounts already announced as pledges

Donor	Average Annual Contribution 2007-09, \$m.	Total contribution over the <u>three</u> years 2011-2013, \$m.

Scenario 0: No Increase	To meet \$17b. target			To meet \$20b. target			Pledges announced by 23 Sept 2010, and % change vs 2007-2009 *		
	Scenario 1	Scenario 3	Scenario 4	Scenario 1	Scenario 3	Scenario 4			
Australia	29.0	87	160	291	204	189	342	240	
Austria	0	0	0	138	97	0	162	114	
Belgium	18.6	56	103	176	123	121	207	145	
Brazil	0.1	0	0	70	49	0	82	57	
Canada	127.1	381	703	485	657	827	571	773	52
China	2.0	6	11	96	67	13	113	79	1
Denmark	29.1	87	161	161	150	189	189	177	
Eur. Commission	143.7	431	795	795	795	935	935	935	
Finland	4.1	12	22	103	72	26	121	85	
France	429.1	1,287	2,374	955	2,217	2,793	1,123	2,609	1,40
Germany	233.4	700	1,291	1,237	1,206	1,519	1,456	1,419	
Greece	0.9	3	5	77	54	6	91	64	
India	2.0	6	11	11	10	13	13	12	
Ireland	26.1	78	144	92	135	170	108	159	
Italy **	184.5	554	1,021	622	954	1,201	731	1,122	
Japan	188.1	564	1,040	1,559	1,092	1,224	1,835	1,284	800 **

Scenario 0: No Increase	To meet \$17b. target			To meet \$20b. target			Pledges announced by 23 Sept 2010, and % change vs 2007-2009 *		
	Scenario 1	Scenario 3	Scenario 4	Scenario 1	Scenario 3	Scenario 4			
Korea (Rep. of)	3.3	10	18	188	132	22	222	155	
Kuwait	0.8	2	4	26	18	5	31	22	
Luxembourg	3.4	10	19	29	21	22	35	24	
Mexico	0	0	0	74	52	0	87	61	
Netherlands	93.5	281	517	346	483	608	407	568	
New Zealand	0	0	0	29	20	0	34	24	
Norway	56.7	170	314	302	293	369	356	345	22
Portugal	2.8	8	16	38	26	18	44	31	
Russia	68.3	205	378	110	353	445	129	415	
Saudi Arabia	6.0	18	33	49	34	39	57	40	
South Africa	1.1	3	6	14	10	7	16	11	
Spain	151.3	454	837	389	782	984	458	920	
Gen. Cat. (Spain)	2.3	7	13	13	13	15	15	15	
Sweden	84.9	255	470	200	439	552	235	516	
Switzerland	6.2	19	35	272	191	41	320	224	
Thailand	1.0	3	6	5	5	7	6	6	

Scenario 0: No Increase	To meet \$17b. target			To meet \$20b. target			Pledges announced by 23 Sept 2010, and % change vs 2007-2009 *		
	Scenario 1	Scenario 3	Scenario 4	Scenario 1	Scenario 3	Scenario 4			
Turkey	0	0	0	54	38	0	63	44	
United Kingdom	150.5	452	833	1,058	778	980	1245	915	
United States	829.7	2,489	4,589	5,757	4,287	5,399	6,773	5,044	
Other countries	0.9	3	5	111	78	6	131	92	
Pvt Foundations	100.7	302	557	557	557	655	655	655	
Private Sector	56.2	169	340	340	340	400	400	400	
Innov. Financing	20.3	61	170	170	170	200	200	200	
Total	3,057.2	9,172	17,000	17,000	17,000	20,000	20,000	20,000	2,95

* The percentage increases shown here compare the dollar value of 2011-2013 pledges with the dollar value of 2007-2009 contributions as published by the Global Fund in its March 2010 Technical Note. For pledges made in currencies other than US dollars, exchange rate fluctuations mean that the percentage increase shown here could be significantly different from the percentage increase in the national currency.

** The "Average Annual Contribution 2007-09" shown for Italy is based in part on Italy's pledge of 130 million Euros (\$165 million) for 2009. In fact, Italy has not yet paid any of its 2009 pledge.

*** The period over which the Japan pledge applies is "the coming years."

Note: For each of Scenarios 1, 3 and 4, the contributions by the European Commission, private foundations, the private sector and innovative finance sources are flat-lined because indicators of capacity to contribute (such as Adjusted GNI) are not relevant to these donors. It is assumed that contributions from the European Commission and private foundations will equal their current shares of total contributions to the Global Fund, and that the contributions from the private sector and innovative finance sources will increase (as a share of total contributions to the Global Fund).

“Technical Note 1: Illustrative Contribution Tables,” is available at www.theglobalfund.org/en/replenishment/hague/documents.

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