



Independent observer
of the Global Fund

Donor Governments Pledge Record - But Insufficient - Amounts to the Fund

Donors are expected to give the Global Fund about \$11.7 billion over the three years 2011-2013. This is 20% more than the \$9.7 billion that was pledged three years ago for the 2008-2010 period; but it is significantly less than the Global Fund says that it needs.

More than 40 countries, together with the European Commission, faith-based organizations, private foundations and corporations attended a pledging session in New York on Tuesday chaired by UN Secretary-General Ban Ki-Moon. Firm pledges for 2011-2013 were made totalling \$9.2 billion. Some of the donors were not yet ready to make commitments. With the Global Fund projecting that these donors will end up giving some \$2.5 billion, this leads to a total projected revenue of \$11.7 billion.

The Fund says that its total needs over the three years 2011-13 will be \$13-20 billion. Over the past few months, donor government studied the Fund's needs and effectiveness and deliberated over how much each would commit to for the three years in question. They then came to New York this week to announce their decisions.

Pledge highlights

The amounts pledged were as shown in Table 1. Some highlights of the pledges were as follows:

- The four countries that pledged (or are projected to pledge) the most for 2011-13 are the USA (\$4,000 m., 40% up on its pledge for the previous three years), France (\$1,480 m., 20% up), Germany (\$822 m., no change) and Japan (\$800 m., 28% up).
- The three countries that pledged the largest percentage of their Gross National Income (GNI) are

Norway and France (0.018% each) and Canada (0.013%).

- The four major donors whose pledges grew the most in percentage terms since their pledges for the previous three years were Finland (increased 100%), Australia (increased 56%), the USA (increased 40%) and Japan (increased 28%).
- Previous major donors who have as yet made no pledge for 2011-2013 are Spain (which pledged \$600 m. for the previous three years), Italy (which pledged \$541 m. for the previous three years), Sweden (\$269 m.), Ireland (\$98 m.), and Belgium (\$56 m.) Given that these countries pledged a total of \$1,563 m. for the previous three years, and that the Global Fund is only projecting to receive \$1,100 m. for 2011-2013 from these plus a number of other countries, it is clear that the Fund expects some former major donors to significantly reduce or even end their contributions. One possible such country is Italy, which still has paid nothing from the \$177 m. it pledged to pay in 2009 and the \$177 m. it pledged to pay in 2010.
- The \$4,000 m. pledge by the USA is the largest pledge ever made to the Global Fund. It is the first multi-year pledge that the USA has given to the Fund. The pledge is conditional on the Fund developing and implementing 'a comprehensive set of reforms to maximise the impact of Global Fund grants.'
- The pledges by Russia (\$60 million) and China (\$14 million) were far less than the Fund had hoped.

Table 1: Donor Pledges to the Global Fund for 2011-2013

Donor	Amount pledged for 2011-2013, million USD *	% change from 2008-2010 **	2011-2013 annual as % of G
Australia	203.2	+56%	
Canada	528.4	+20%	
China	14.0	+133%	
Denmark	96.5	+1%	
European Commission	452.3	+10%	
Finland	16.4	+100%	
France	1,480.3	+20%	
Germany	822.4	No change	
Japan ¹	800.0	+28%	

Donor	Amount pledged for 2011-2013, million USD *	% change from 2008-2010 **	2011-2013 annual as % of G
Korea (Rep. of)	6.0	-14%	
Kuwait	0.5	-67%	
Luxembourg	10.3	No change	
Monaco	0.3	New donor	
Namibia	0.8	New donor	
Netherlands ²	294.7	-7%	
Nigeria	10.0	New donor	
Norway	230.2	+20%	
Russia	60.0	-72%	
South Africa	2.1	+1,400%	
Switzerland	21.6	No change	
Tunisia	2.0	New donor	
United Kingdom ³	607.4	+7%	
United States	4,000.0	+40%	
Countries that gave during 2008-2010 but have not yet pledged re 2011-2013: Belgium, Greece, Hungary, Iceland, India, Ireland, Italy, Latvia, Liechtenstein, New Zealand, Poland, Portugal, Romania, Saudi Arabia, Singapore, Slovenia, Spain, Sweden, Thailand	Global Fund hopes to receive \$1,100 million from these and other donors		

Donor	Amount pledged for 2011-2013, million USD *	% change from 2008-2010 **	2011-2013 annual as % of G
Private: Gates Foundation	300.0	No change	
Private: Chevron	25.0	-17%	
Private: Takeda Pharmaceutical	3.0	New donor	
Private: Gift from Africa (a campaign)	3.0	New donor	
Private: United Methodist Church	28.0	New donor	
Private: Other possible private donors	300.0		
Innovative financing: Debt2Health – firm	49.9		
Innovative financing: Debt2Health – possible	59.4		
Innovative financing: Exchange Traded Funds	13.0		
Innovative financing: Possible new schemes	150.0		
Total:	11,690.70		

Data source: Global Fund press release at www.theglobalfund.org/en/pressreleases/?pr=pr_101005c

* Some of these amounts have been converted from other currencies.

** For pledges not made in USD, percentages shown are those that apply to the original currencies

¹Amount pledged by Japan will be given over ‘the coming years’.

²Netherlands pledge will be announced later. This is a conservative estimate by the Global Fund.

³UK pledge to be finalised/ revised in the next few months.

Needs

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.

The Fund said that the differences between the human benefits of Scenarios 1 and 3 would be as follows:

Table 2: Human Benefits from Different Global Fund Scenarios

Benefit	Resource Needs Scenario 1	Resource Needs Scenario 3	Difference between Scenarios 1 and 3
People on ARV therapy	4.4 million	7.5 million	3.1 million
DOTS treatments provided annually	3.9 million	6.8 million	2.9 million
Long-lasting insecticidal nets distributed annually	110 million	190 million	80 million
Orphans and other vulnerable children provided with support annually	2.5 million	4.4 million	1.9 million
HIV-positive women receiving PMTCT annually	0.6 million	1.1 million	0.5 million

Data source: 'Resource Scenarios 2011-2013?', available at www.theglobalfund.org/en/replenishment/hague/documents

Consequences

The Global Fund said some time ago that however much money was raised, it would need \$8.8 billion over 2011-2013 for “continuations within existing grants,” plus paying for Round 9 grants that have not yet been signed, plus operating costs. On top of that, it would need a further \$4.2 billion (Scenario 1) if it was to fund Rounds 10, 11 and 12 at a significantly lower level than earlier rounds, or it would need \$8.2 billion (Scenario 2) if it was to fund Rounds 10, 11 and 12 at a similar level to earlier rounds.

In fact, though, this week's pledges provide only \$2.9 billion for Rounds 10, 11 and 12. The current estimate of the cost of Phase 1 of Round 10 is \$2.0 billion. So the prospects for adequately funding Rounds 11 and 12, and Phase 2 of Round 10, are currently bleak, unless funds significantly in excess of this week's pledges end up being raised.

Reactions

Ban Ki-Moon, UN Secretary-General, said upon opening the pledging session "We are within sight of ending deaths from malaria by 2015. That would be a great victory, on the order of eliminating smallpox, or polio. But we must defeat all these three diseases, completely. If we lose the ground we have gained, we will be back to square one – all that effort and investment, lost. The decisions you make here today will determine the outcome."

The Treatment Access Campaign (TAC) in South Africa said, "Just as countries are beginning to build the infrastructure and systems to deliver services, the funding appears to be drying up." Shaun Mellors, a member of the Communities delegation to the Global Fund Board, added, "To turn around now would be disastrous for all that we have achieved in the last 25 years. We applaud some donors who have stepped up to the plate by pledging what was expected, and call on others to prioritise the lives of people."

Michel Kazatchkine, Executive Director of the Global Fund, said "This amount is not enough to meet expected demand. It will lead to difficult decisions in the next three years that could slow down the effort to beat the three diseases. I will continue a relentless effort to seek the additional resources the Global Fund needs to fully contribute towards achieving the MDGs."

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