

## BACKGROUND BRIEFING

### \$5 Billion Gap at the Global Fund to Fight AIDS, TB & Malaria

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## BIGGEST FUNDING ROUND EVER—Meeting the Targets

In November 2008, the Global Fund completed its biggest funding round ever, with over \$6 billion in applications from developing countries, of which over \$3 billion worth of high-quality proposals were approved by the Global Fund's independent Technical Review Panel. Countries are finally reaching toward universal scale-up. This funding round will mean, for example:

- 4.5 million people tested for HIV in Nigeria
- 30 million bed nets distributed to reach every household in the Dem. Rep. of Congo
- Cutting-edge drug resistant TB diagnosis and treatment for every person in need in Lesotho

In 2007 the Global Fund Board, including donor and implementing governments, agreed that the Global Fund should grow to a yearly size of \$6-8 billion by 2010. The G8 leaders, meeting in Heiligendamm that year, reiterated this goal of tripling the size of the Fund. We are now on a path to reaching those goals, but donor funding has not kept pace.

## FUNDING GAP

The Global Fund now projects that high-quality proposals will scale up toward meeting those levels with a total need for 2009-2010 projected at **\$8 billion** including:

- Two rounds of funding
- The launch of the new "national strategies application" funding opportunities
- Renewal of well-performing grants and continuations of the highest performing programs

Unfortunately, only approximately \$3 billion in pledges from donors is "available." **This leaves a \$5 billion gap.** Despite their agreement to triple the size of the Fund, many donors made multi-year pledges that did not increase in accordance with this plan.

## WHAT \$5 BILLION MEANS

The Global Fund has had successes unheard of in the world of public health. In its short lifetime, the **\$ 6.8 billion** disbursed by the Fund has saved an estimated 2.5 million lives. At that rate, this \$5 billion could save another nearly 2 million people's lives in the coming year. This is:

- Less than 0.5% of what the G8 countries have approved to bail out failing banks in the last 3 months
- Less than one-third of what people in the US spent on Valentine's Day candy and gifts in 2007 (National Retail Federation)

## European commitments

Within the European Union, countries have made the commitment to increase their ODA (Official Development Assistance) to 0.7% of GNI (Gross National Income) within the next few years. Some countries have already reached that percentage or an even higher one (Denmark, Luxembourg, Netherlands, Norway, Sweden), other countries still need to live up to those commitments.

Countries to still work toward the level of 0.7% ODA are:

- Germany from 0.33% in 2006 to 0.51% in 2010 and 0.7% in 2015 (net ODA 2007: \$12.3 billion at 0.37%)
- France from 0.33% to 0.5% in 2007 and 0.7% in 2012 (net ODA 2007: \$9.9 billion at 0.38%)
- Italy from 0.33% in 2008 to 0.51% in 2010 and 0.7% in 2015 (net ODA 2007: \$3.97 at 0.19%)
- UK from 0.47% in 2007 to 0.51% in 2010 and 0.7% in 2013 (net ODA 2007: \$9.84 at 0.36%)
- Ireland from 0.5% in 2007 to 0.6% in 2010 and 0.7% in 2012 (net ODA 2007: \$1.2 billion at 0.55%)
- Spain from 0.5% in 2008 to 0.7% in 2012 (net ODA \$5.14 billion at 0.37%)
- New EU countries (10) to 0.17% in 2010 and 0.33% in 2015
- Belgium/Finland (0.7% - 2010), Greece/Portugal (0.7% in 2015)

These commitments will free up tens of billions in the coming years, of which a fair percentage should be invested in the Global Fund as a financing mechanism to fight AIDS, TB and malaria. Currently the Global Fund accounts for two-third of global funding for TB and malaria, and 25% of global funding for HIV/AIDS. In reaching the Millennium Development Goals (MDGs) in 2015 - or even come close, the Global Fund is of crucial importance.

### **TRANSPARENT, ACCOUNTABLE, AND RESULTS-DRIVEN IN AN ECONOMIC CRISIS**

In uncertain economic times, impoverished countries need support even more—their own capacity to scale up response is challenged, and they can afford the losses from sickness and death even less. Malaria alone, it is estimated, costs the continent of Africa \$12 billion each year in direct losses, but much more than that in lost long-term economic growth (McKinsey Co./Malaria No More). It is clear, though, that we cannot afford to waste foreign aid money—meaning we must scale up investments that are effective and accountable.

Every Global Fund grant must be sound to be approved, must be successful to receive continued funding, and must account strictly for how the money is used—a combination that makes it unique in the world of foreign assistance. An outside technical review panel must approve each grant before funding—which is then based on performance, requiring programs to reach specific targets throughout the life of the grant. The public can track the progress of all grants via the Global Fund website, which also publishes independent evaluations of the organization’s own performance. For every grant, an outside, respected auditing firm is selected to monitor and audit the money. (Also see [www.theglobalfund.org](http://www.theglobalfund.org))

### **ABOUT THE GLOBAL FUND**

In 2001, Kofi Annan asked world leaders for an additional \$7 to \$10 billion a year to establish the Global Fund. Since then, the Global Fund has scaled up quickly—becoming a main source of finance for programs to fight AIDS, tuberculosis, and malaria, with approved funding of US\$ 11.4 billion for more than 550 programs in 136 countries.

Global Fund-supported programs have significantly expanded the delivery of services including:

- AIDS treatment for **2 million people** currently on antiretroviral (ARV) treatment for HIV
- TB treatment for **4.6 million people** under Directly-Observed Treatment, Short-course (DOTS)
- Distribution of **70 million insecticide-treated bed nets (ITNs)** to protect families from malaria

Estimates show that **2.5 million lives** have been saved since the Fund was created.