

**URGENT BRIEFING****Action Needed to Fill \$5 Billion Gap at the Global Fund to Fight AIDS, TB & Malaria**

In November 2008, the Global Fund completed its biggest funding round ever, with over \$6 billion in applications, of which over \$3 billion worth of high-quality proposals passed the technical review panel. For the first time, countries are really 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 Democratic Rep. of Congo
- Cutting edge drug resistant TB diagnosis and treatment for every person in need in Lesotho

Unfortunately, donations, including from the United States, have not kept pace with the agreement by all countries to scale up funding to these levels. Funding shortfalls meant the full round was not able to be funded—so a total of \$2.75 billion was approved conditionally pending resources (and this level includes both cuts in immediate funding and 25% cuts to the second phase of these programs). There is an immediate shortfall of \$750 million to finish the round and more needed to restore the cuts.

Because some donors have not paid their fair share for the current period, Round 8 relies on pledges that should be available for the future—leaving less than \$1 billion for all future rounds. In 2009 and 2010 the Fund projects needs of \$8 billion including new and continuing programs. Based on this projection, if all donor promises are fulfilled there will still be a \$5 billion shortfall in pledges to meet the needs.

The US Must Change Course and Pay Our Fair Share in 2009

In FY09 the Bush administration proposed cutting the US global fund contribution to only \$500 million. Congress worked to reverse these proposals, but even with the highest funding numbers currently under discussion the US will be approximately \$1 billion short of our fair share of 1/3 of the Global Fund needs. Emergency funding in FY09 could go quickly to fund waiting grants approved in Round 8 and free up funding “pledges” that should be available for future rounds.

An urgent additional \$1 billion is needed in supplemental FY2009 appropriations to meet our fair share for the Global Fund. By leading with bold new pledges, the US can spur action by the rest of the world to ensure the \$5 billion gap in pledges is filled.

US Fair Share

FY 2009	Original request based on projected need including new programs (R8) and repeating/continuing grants <i>(note: applications were stronger than expected, so need is <u>over</u> \$5b)</i>	Need: <u>over</u> \$5B	US Fair Share: \$1.67B-\$2b <i>Contribution: \$0.84-0.9 B</i> <i>(gap to fair share = approx. \$1b)</i>
FY 2010	Global Need <i>\$5B projected in demand through rounds and national strategy applications + \$3B in phase 2 and continuations</i>	Need: \$8B	<i>US Fair Share: \$2.75B</i>

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New 2010 Pledges Needed

In the coming year and a half, the Global Fund is projected to have \$8 billion in high-quality new and continuing programs on the table. Unfortunately, only \$3 billion is available.

- We are reaching the plan for \$6-8 billion and 2-rounds per year agreed to by all donors and implementers—but funding supply is not meeting demand.
- The US 1/3 share of this \$8 billion is \$2.75 billion
- In addition, the US and several other countries did not pay their fair share for this year—meaning pledges that should be available for the future are currently not. Funding is needed to fill the gap for approved round 8 grants (\$750m) and then begin freeing up pledges for the next rounds. The US should lead with a supplemental \$1 billion.

Below is a timeline assuming resources are made available along with projected gaps. Note that from the US the only pledges considered “available” are the Bush FY09 request of \$500 million. Even at higher congressional levels, however, the US will still be approximately \$1b short of its fair share for FY2009—which is leaving major gaps.

A FY2010 budget request of \$2.75B would be the US Fair share of the \$8 billion total and go a long way toward covering the pledge gap.

Calendar	Action	Pledges Needed (estimated based on projected demand)	Pledges Available	Gap
Completing 2008-09 Approvals				
May 2009	Board funds remaining R8 grants to complete <u>Nov 2008</u> approvals <i>Note: proposals approved as money becomes available and at meeting</i>	\$0.75 B	\$0	Gap= \$750 Million
FY2010				
Nov 2009	Board approves Round 9 & any NSAs ready. <i>Ideally opens R10 if funding available</i>	\$2.5 B	\$0.9B	(\$1.6 B)
May 2010	Board approves Round 10 & NSAs <i>2010 shift to 2 rounds per year</i>	\$2.5 B	\$0	(\$2.5 B)
Nov 2010	Board meeting. <i>Note: Fund architecture likely to change to multiple rounds & single-stream funding.</i>	Some funding for May could shift to November		
2009-2010	Phase 2 and Rolling Continuation Channel <i>Total FY2010</i>	+ \$3 B		
		\$8 B	\$3 B	(\$5 B)
	Total for New Funding 2010 + Complete 2008 Approvals	<u>2010:</u> \$8B <u>R8:</u> + \$750m		<u>Tot Gap</u> = \$5 Billion + \$750 million