

# A BRIEF HISTORY OF A GLOBAL EFFORT TO FUND THE CAMPAIGN AGAINST AIDS

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'Don't wait. People are dying! People are waiting for the fund to be operationalized, to be disbursing money!' Such sentiment confronted Anders Nordstrom, the first acting director of the Global Fund to fight AIDS, TB and malaria, when the Fund was established in 2002. "We are moving as quickly as we can," Nordstrom stated, "we will be judged on whether we are able to disburse money, get it out to effective programmes, and report back clearly. Part of the challenge for the Fund is to start by striking the right balance between prevention, treatment and care."<sup>1</sup>

At the time of its inauguration in 2002, the Fund was thought to offer great promise as an instrument of global action to inhibit the apparently inexorable spread of AIDS in the developing world.<sup>2</sup> Commenting on the proposed new Fund, the French Health Minister Bernard Kouchner stated in 2001 that "We still have everything to do, but at least there is now hope. We need hope. The sick need hope. Hope is the beginning of treatment."<sup>3</sup> Yet as the Fund commenced with its funding programmes it soon became apparent that effectiveness would depend on the sustained generosity of donors, and these – especially and most importantly the United States Government – would prove themselves to be fickle partners as their support dwindled, crippling the Fund.

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<sup>1</sup> R Walgate, Global Fund for AIDS, 'TB and malaria opens shop,' in Bulletin of the World, Vol. 80, Issue 3, 2002, p. 259.

<sup>2</sup> NK Poku, 'The Global AIDS Fund: context and opportunity,' in Third World Quarterly, Vol. 23, No. 2, 2002, pp. 283, 294.

<sup>3</sup> 'Amid high hopes and frustrations, Global Fund on AIDS/TB holds first meeting,' in AIDS Weekly, February 18 and 25, 2002, p. 13.

The Fund was originally the brainchild of UN secretary-general Kofi Annan. The idea of a global funding mechanism to “attract, manage and disburse resources through a new public-private foundation”<sup>4</sup> was first mooted at the July 2000 G8 Summit in Okinawa, Japan. At the urging of Kofi Annan and national leaders the proposed partnership was unanimously endorsed at the UN General Assembly Special Session on HIV/AIDS in June 2001. By the time G8 leaders met at Genoa the following month, the Global Fund came to be formally constituted as an alliance of partners from UN agencies, developing countries, donor governments, foundations, corporations, and non-governmental organisations, and \$1.3 billion was already pledged to kick-start the funding process to combat AIDS, TB and malaria.<sup>5</sup>

Regional consultations followed, and by the end of 2001 a Board was selected for the Fund. At the first meeting of the Board in January 2002 the Fund became officially operational as a charitable foundation, based in Geneva, Switzerland, and the deadline for the first round of grant proposals was set for March 10. The United States was the biggest single donor, contributing \$300 million and promising \$200 million more, and Britain and Italy also made sizeable offers. The Bill and Melinda Gates Foundation was the highest paying private donor, pledging \$200 million.<sup>6</sup>

By the time the Fund announced how it was to disburse its first round of resources it had nearly \$2 billion at its disposal. On 25 April 2002 the Fund announced that it had approved 58 of the 300 proposals it had received. A total of \$378 million was awarded over two years to 40 programmes in 41 countries. At the time, Anders Nordstrom, interim executive director of the Fund, stated that “We received far more proposals than we are able to fund in this first round, demonstrating how great the need is to address HIV/AIDS,

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<sup>4</sup> Quoted from a document entitled “The by-laws of the Global Fund to fight AIDS, TB, and malaria.”

<sup>5</sup> US Department of State Fact Sheet, Office of the Spokesman, December 13, 2002; S Ramsay, ‘Global Fund makes historic first round of payments,’ in *Lancet*, Vol. 359, Issue 9317, 2002, p. 1581.

TB and malaria. We prioritised high-quality proposals that were based on effective programmes and lessons learned, and were developed by partnerships of governments, community organisations, people living with the diseases, and other groups."<sup>7</sup>

April 25 2002 also saw the announcement of the permanent executive director of the Fund. The Fund's Board had allegedly been pressurised by the US Secretary of Health and Human Services, Tommy Thompson, to consider George E Moose, a former US Assistant Secretary of State for African Affairs, for the post. In defiance of Thompson the 18-member Board instead opted for British-born Prof. Richard Feachem, hitherto head of the Institute for Global Health at the University of California. Feachem's appointment came at a critical juncture for the fledgling Fund. \$1.6 billion of the \$1.9 billion originally at the disposal of the Fund had already been disbursed by this point, and while demands for funding grew apace in the Third World, financial contributions to the Fund were decreasing significantly.<sup>8</sup>

Up to this point the Fund's financial injections mostly came from the public sector, but governments proved to be fickle suppliers. A report assessing the erratic support for the Fund released 21 April 2002 by the NGOs, Health and Development Networks and Aidsplan claimed that "part of the problem, to date, (is that) nobody has proposed which countries should give how much...The Netherlands, Sweden, and Italy have done well with contributions...But the contributions of Japan and the USA have been very disappointing."<sup>9</sup>

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<sup>6</sup> 'Amid high hopes and frustrations, Global Fund on AIDS/TB holds first meeting,' in AIDS Weekly, February 18 and 25, 2002, p. 13; 'U.S. is sending \$300 million immediately to newly created Global Fund to fight AIDS,' in AIDS Weekly, May 20, 2002, p. 17.

<sup>7</sup> S Ramsay, 'Global Fund makes historic first round of payments,' in Lancet, Vol. 359, Issue 9317, 2002, p. 1581.

<sup>8</sup> S Ramsay, 'Global Fund makes historic first round of payments,' in Lancet, Vol. 359, Issue 9317, 2002, p. 1581.

<sup>9</sup> Quoted in S Ramsay, 'Global Fund makes historic first round of payments,' in Lancet, Vol. 359, Issue 9317, 2002, p. 1581.

One of the authors of the report, Bernard Rivers, told The Lancet Journal that "Everyone was waiting to see what others would give and what the Global Fund would do with the money." Moreover, after the initial contribution by the Bill and Melinda Gates Foundation in June 2001, little had been garnered from the private sector since then. "I'm not ready to chastise the private sector now," said Rivers, "but a year from now, if there's been no movement, it will be deeply disappointing."<sup>10</sup> Bernard Rivers was indeed to experience the 'deep disappointment' in the coming year. As the Fund's resources proceeded to dry up, governments proved themselves as unreliable stakeholders and private donors appeared to be hesitant and non-committal.

At the 14<sup>th</sup> International AIDS conference held in Barcelona in 2002, Richard Feachem attended to plead for a huge and quick increase in resources for the Fund. The approximately \$1.9 billion that had hitherto been pledged to the Fund was not nearly enough, Feachem claimed. It was widely expected that the Fund would require at least \$8 billion to \$10 billion a year to meet the challenges of combating AIDS, TB and malaria, and throughout the Barcelona conference the US was widely criticised for not contributing more to the Fund. Concerns had been expressed that some countries put pressure on organisations not to apply to the Fund, despite that the Fund was supporting prevention as well as treatment programmes.<sup>11</sup>

By October 2002 the Fund was running low on funds necessary to finance its existing funding programmes. A board meeting in Geneva on 10-11 October 2002 proclaimed that the Fund – which was at this time considering proposals for its second round of funding – would require an additional \$2 billion in 2003, and \$4.6 billion in 2004. Paul Zeitz, executive director of Global AIDS Alliance – a non-governmental organisation – stated at the time that "The Fund faces de-facto bankruptcy in just four months, when new requests for funds will pour in. Its high time the United States and other donors end their

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<sup>10</sup> Quoted in S Ramsay, 'Global Fund makes historic first round of payments,' in Lancet, Vol. 359, Issue 9317, 2002, p. 1581.

squabbling over who should be donating to the Fund and at what level.” Of the 31 countries that had initially promised to make funds available only Ireland had at the time paid in full, and seven other countries had made partial payments.<sup>12</sup> Activists at the G8 Summit in Evian, France, in 2003 claimed that US President George W Bush has attempted to block bipartisan efforts to increase American contributions to the Fund, and thus the Fund was to be rendered bankrupt before its third round of funding in October 2003.<sup>13</sup>

Indeed, the White House was aggressively pressurising US Senators to cut funding originally designated for the Fund. Instead, the White House intended rather to provide funding for ‘bilateral programs,’ as outlined in President Bush’s State of the Union address in 2003. A groundbreaking bill that would have authorised \$1.25 billion for the Fund in the 2004 financial year failed to gain approval in the US Congress after opposition from members of President Bush’s Republican Party.<sup>14</sup> Of the \$15 billion President Bush promised to pledge to combat AIDS, only \$1 billion was earmarked for the Fund. The critical position of the Fund can be gleaned from the fact that it requires another \$6.3 billion in contributions over the next two years if it is to disburse a third round of funding in October 2003. “The Global Fund is the best hope yet for the fight against AIDS and other killer diseases,” stated Paul Zeitz, “yet the President (Bush) seems ready to let the Fund down.”<sup>15</sup>

After the lackadaisical efforts of the United States government to bolster the Fund, a coalition of public health advocacy organisations in the United States, Europe, Canada and Japan have engaged in a ‘Fund the Fund’ campaign in an effort to address the \$1.6 billion budgetary shortfall experienced by the Fund.

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<sup>11</sup> A Vass, ‘Global Fund director admits to \$8BN shortfall,’ in British Medical Journal, Vol. 325, Issue 7356, 2002.

<sup>12</sup> C Kapp, ‘Global Fund faces uncertain future as cash runs low,’ in Lancet, Vol. 360, Issue 9341, 2002.

<sup>13</sup> A Thom, ‘Global Fund faces bankruptcy,’ 4 June 2003, from the Health-e News Service.

<sup>14</sup> ‘White House pressuring Senators to abandon Global Fund,’ from [af-aids@healthdev.net](mailto:af-aids@healthdev.net), 7 February 2003.

<sup>15</sup> S Macdonald, ‘Bush criticised for not giving AIDS money to Global Fund,’ in British Medical Journal, Vol. 326, Issue 7384, 2003.

The aim of the 'Fund the Fund' campaign is to pressurise the governments of wealthy countries to contribute resources to the Fund on a par with the size of their economies.<sup>16</sup> Before the 1-3 June 2003 G8 Summit in Evian, however, the Fund's prospects were given a substantial boost when the world's richest countries seemed to show renewed interest in the Fund. Jon Liden, a spokesperson for the Fund, stated before the Evian Summit that the G8 nations and Russia "have signalled they will renew their commitment in a declaration at a 1-3 June meeting in the French town of Evian."<sup>17</sup>

Indeed, after the Evian Summit the outlook for the Fund does appear to have improved markedly. At the Evian Summit, G8 and African Heads of State, as well as the United Nations secretary-general, reaffirmed their support for the Fund. Richard Feachem praised the roles of France and the United States: "In authorising up to \$1 billion for its 2004 fiscal year, President Bush and the US Congress challenged other donors to respond, and they have. President Chirac has led an effort for Europe to raise \$1 billion and called on public and private donors outside the US and Europe to also raise \$1 billion." After the Evian Summit, the European Commission pledged 340 million euros between 2003 and 2006; Italy has pledged 200 million euros; and the UK has increased its previous commitment by \$80 million. Even so, only 23% of the Fund's requirements through 2004 will be covered by these pledges.<sup>18</sup>

Throughout its brief history the Global Fund was hampered by having to beg and bargain for money. This disposition often placed the Fund at the whim of politicians with ulterior motives, and hence their contribution to the Fund was inconstant at best. Even in the world of philanthropic charities money talks louder than anything else. Yet the Fund has so far proved itself to be a significant cog in the fight against AIDS, TB and malaria, and the fact that it managed to survive until now attests to its durability and elevated position as

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<sup>16</sup> A Thom, 'Funding the Fund,' 10 April 2003, from the Health-e News Service.

<sup>17</sup> F Fleck, 'Support from G8 countries boosts cash for global fund,' in British Medical Journal, Vol. 326, Issue 7399, 2003.

a global alliance and charitable foundation. Even so, with money hard to come by the Fund's future does not appear to be adequately secure.

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<sup>18</sup> 'Global Fund praises new funding pledges by G8, underscores need for US\$ 3 billion by end of 2004,' article on Global Fund web site, [www.globalfundatm.org](http://www.globalfundatm.org).