

Q&A: Global Fund Investment Case

US\$13 Billion

How much money is the Global Fund seeking?

The Global Fund seeks US\$13 billion to fund programs to fight AIDS, TB and malaria from 2017-2019. This amount will support programs to save eight million lives and avert 300 million new infections across the three diseases over three years. It is estimated this will also support economic gains worth up to US\$290 billion in the coming decades in the countries where the Global Fund invests.

How have you arrived at US\$13 billion?

The Global Fund's technical partners have established targets to reach the global goals of ending HIV, TB and malaria as epidemics by 2030. To reach these targets within Global Fund-supported countries, they have assessed the combined domestic and external funding need as US\$97 billion for 2017-2019. Approximately US\$41 billion of this is projected to come from domestic governments, leaving international donors to cover the remaining US\$56 billion. The Global Fund's target of US\$13 billion is nearly one-quarter of the total external funding required to meet the global goals in countries where the Global Fund invests. Other international partners such as bilateral donors, PEPFAR, foundations like the Bill & Melinda Gates Foundation, and the private sector will contribute to the remaining balance. However, the full need is not yet met.

You are asking for less than you asked for last time – has the need decreased?

The need has not decreased, however our methodology of assessment has improved. We now have up-to-date, costed plans for all three diseases from technical partners. Shifts in global currency have also made a significant impact on the amount we are seeking, meaning that in real terms, the Global Fund is seeking significantly more from donors than they pledged at the 2013 replenishment. The target is a realistic estimate of what the world can commit – and it is a minimum target, not a ceiling.

You are asking for more than you received last time – why is that?

As our Executive Director Mark Dybul likes to say: We can do more with more. The amount requested should be seen as an investment, not a cost. Ending epidemics will unleash powerful productivity and economic gains. This is the right thing to do and it's also the smart thing to do.

Why are you asking for an amount that only reaches 80 per cent of the global need?

We strongly support all efforts to fund the entire global need. Reaching the goal of ending AIDS, TB and malaria as epidemics as outlined in the global plans of our partners is a collective task and a shared responsibility between all partners including the implementing countries. The Global Fund plays an important role in this but is certainly not the only player. The target expressed in the Investment Case looks at the specific financial contribution of the Global Fund and outlines how far we can get with that joint commitment. The global need must also be matched with countries' capacity to effectively expand their testing, treatment and care programs. This takes time, and this is

also why the Global Fund works with countries to build resilient and sustainable systems for health, so they have the facilities, staff, resources needed to implement programs to reach the global goals.

Why are you asking for more when you haven't spent the previous amount?

The Global Fund made a full allocation of all available funds during the current three-year funding period. In countries where delays and implementation obstacles have slowed disbursements, we are working with partners to remove barriers and strive for effective and timely investments.

You say this will lead to US\$41 billion in domestic financing. How have you arrived at that figure?

Countries where the Global Fund invests are increasing their own national contributions to ending the epidemics, spurred in part by the Global Fund's co-financing requirements. The Global Fund has a database of government commitments for the three diseases, submitted by countries in concept notes as part of the Global Fund co-financing policy. These commitments provide the basis of the estimates. A full explanation of the methodology is included in the Global Fund Investment Case.

How did you arrive at US\$290 billion in economic gains?

This is based on estimates by partners on the return on investment for implementing each of the global plans. These estimates assess the economic value of better health and a more productive society by trying to capture productivity and consumption gains, including through household savings, and calculating that each person who goes on lifesaving treatment is a potential contributor to the economic health of a community. The totals – broad estimates, not scientific projections – come from applying collective estimates from each of the partner plans. There is mounting evidence that improving national health leads to economic gains. A recent study by the Global Health 2035 Lancet Commission showed in low- and middle-income countries, health improvements drove 24 percent of full income growth between 2000 and 2011.

Why the Global Fund?

What can the Global Fund point to which justifies this funding request?

Since 2002, the Global Fund has made tremendous impact against the three diseases, bolstering strong evidence that the partnership model is the most effective way to deliver global health. Global Fund-supported programs have saved 17 million lives and we are on track to save 22 million by the end of next year. The Millennium Development Goal target of reversing the spread of HIV, tuberculosis and malaria has been met and exceeded in most countries where the Global Fund invests. We need to seize this momentum. With sustained political and financial commitment, we can end these diseases as epidemics by 2030.

What is the Added Value Provided by the Global Fund?

The Global Fund plays a catalytic role in spurring greater investment, which is needed to face many steep but achievable challenges in HIV, TB and malaria. Domestic financing is significantly increasing and already accounts for more than half of funding for HIV, more than three-quarters for TB and around a quarter for malaria. The proportion of investments in health that come from domestic financing is growing each year, as explained, below. But external financing remains essential if the world is to seize the opportunity to end the epidemics. The Global Fund's multilateral approach provides significant leverage to create a large pool of resources that compliments investments made by individual countries. The partnership approach not only grows the resource pool, it allows innovation and value for money.

Doesn't it make more sense to give this money directly to countries, rather than having a Geneva-based organization act as a go-between?

The Global Fund adds value to the fight against the three diseases precisely because it has a global orientation. This strategic filter allows funding to be allocated based on the disease burden and capacity to pay of affected countries – a highly rational and effective formula. In fact, the Global Fund also works to leverage more funding from domestic governments, significantly bolstering the mission to end the epidemics. The partnership model has increased domestic financing by US\$5.9 billion.

Why should donors invest in the Global Fund at a time when other pressing concerns warrant focus (e.g., migrant and refugee crisis, climate change)?

Today's tremendous challenges that face us call for an integrated approach and mindset, something that was made clear in the comprehensive Sustainable Development Goals approved in September 2015. The fight against HIV, TB and malaria is connected to countless other efforts that help people create opportunity. In order to prevent HIV infections in adolescent girls, we must strengthen education. To fight tuberculosis in crowded urban slums, we must improve living conditions. To get rid of malaria, we must build strong, resilient systems for health. Since the turn of the century the world has made deep inroads into ending HIV, TB and malaria as major health threats. But these 15 years of hard-fought gains could be lost if resolve weakens and HIV, TB and malaria could resurge in new and powerful forms. There is no doubt that the world faces great challenges, but the consequence of weaker support for the Global Fund is not just slower progress – we could go backwards.

Given the progress towards fighting HIV, TB and malaria, isn't there a greater need to invest in other global health issues? Why should donors interested in SDG 3 (ensuring health and well-being) invest in a disease-specific approach via the Global Fund vs. focusing on health system strengthening?

By fighting HIV, TB and malaria through the Global Fund, the world is investing in global health issues. As the recent Ebola outbreak in West Africa showed, everything is connected. Building stronger and resilient systems for health is a first order priority for the Global Fund. A full 40 per cent of Global Fund investments are directed to building stronger and more resilient systems for health – programs that support the fight against HIV, TB and malaria also have the benefit of strengthening health systems and care, and improving the overall health of countries. The cross-cutting nature of these investments was evident during the recent Ebola outbreak. Countries like Nigeria, Senegal and Mali quickly contained the virus and imposed control measures. Impact against HIV, TB and malaria also frees up health systems and hospitals to treat other diseases. The reality is that in many countries in the world, getting the three epidemics under control and building stronger health systems with capacity to treat other diseases are interrelated – you cannot do one without the other.

How Will the Money Be Spent?

What are your spending priorities?

In order to end the epidemics, the Global Fund partnership provides testing, treatment, and care for people affected by AIDS, TB and malaria; works with countries to build stronger systems for health; and breaks down the barriers that prevent people from accessing lifesaving health care, including gender inequality, poverty, and discrimination. The Global Fund is focusing sharply on women and girls, and works to break down the gender inequalities that are major drivers of the spread of the

three diseases. Forty percent of Global Fund investments go towards improving and strengthening systems for health, with funding for cross-cutting elements doubling since 2014.

In sub-Saharan Africa, for example, our programs must empower women and girls, giving them the educational tools and resources that promote gender equity and foster positive decisions about their health.

Why are you investing in things beyond AIDS, TB and Malaria?

Ebola's spread through West Africa in 2014-2015 was a stark reminder that weak health systems can pose a global threat. However, Ebola also showed that countries with resilient, sustainable systems for health were able to detect and contain cases quickly. Building stronger systems for health have been part of the Global Fund mandate since its formation and for good reason. The HIV, TB and malaria will only be ended as epidemics through stronger systems for health. The flip side is also true – support for HIV, TB and malaria programs relieves pressure on local hospitals and healthcare systems. The Global Fund has always worked to support and strengthen this mutually reinforcing relationship. The funding and distribution of HIV and TB drugs and diagnostic kits and mosquito nets has been enormously successful, but we need to go beyond that. That is why we are devoting increasing resources to programs that assist women and girls to make better decisions about their health for example.

For how long will we need a Global Fund – when will these countries be able to stand on their own two feet?

Many countries prepare to transition away from direct Global Fund support. The Global Fund plays a catalytic role in many countries, spurring more investment from both domestic and external sources. The proportion coming from domestic governments is increasing each year and over the funding cycle in question, we estimate total resources from domestic government will amount to US\$41 billion – three times the amount being sought by the Global Fund.

Why Now?

What is the urgency for investment now?

It's tempting to think that the epidemics are on a downward trajectory and will naturally continue in that direction – that is wrong. We are on track to end these epidemics by 2030 but if we lose sight of that goal these diseases will resurge in new and powerful forms. It is imperative that we seize on the progress to date. We face a clear choice today: we can accelerate our work toward the goal of ending these epidemics, or we can risk a resurgence and undermine the last decade of investments in global health. In India in the 1950s, for example, a malaria prevention program made huge gains in reducing the number of people affected by the disease; when funding for this program stopped in 1965, there was a drastic resurgence that led to a sixty-fold increase in malaria cases over the next decade.

What if you don't get the money?

There is a broad consensus that the work of the Global Fund is critical to ending HIV, TB and malaria as epidemics by 2030. Through smart, focused investments we are beating these diseases back and unlocking economic prosperity and social justice for families and communities across the globe. Great progress has been made, but this progress will not continue without political and financial commitments. We face a clear choice today: we can accelerate our work toward the goal of ending these epidemics, or we can risk a resurgence and undermine the last decade of investments in global health.

Global Fund & Broader Context

Given other priorities, how realistic are the expectations for increases in domestic financing for these epidemics?

Global health is a shared responsibility, and evidence to date is that national governments are increasing their share of their national health spending in the fight against the three diseases – and they are committed to continue to do so. Prior to the 2014-2016 replenishment, the optimistic assumption was made that domestic financing would increase by 11 percent per year. That estimate has been realized, and the percentage of domestic financing continues to grow. Countries supported by the Global Fund have increased their financing commitments by US\$5.9 billion.

How does the Global Fund address environmental and social factors that put women and girls at increased risk of disease?

Approximately 55-60 percent of Global Fund investments benefit women and girls. Our partnership is acutely aware that the next wave of impact against the three diseases will be driven by programs that support female economic empowerment and independence. Keeping girls in school, assisting them to enter vocational colleges, providing cash incentives and stressing programs with a family-centred approach are all programs the Global Fund supports.

How does the Global Fund measure its impact on vulnerable populations like women and girls and the LGBT community?

The Global Fund supports expanded and more sophisticated information systems within countries that allow them to identify the key populations most likely to be affected by the three diseases. The Global Fund is working with partners to ensure that the populations are themselves consulted so that the size and location of these populations is better understood. Information is at the heart of better focussed services.

Why is the Global Fund only asking for US\$13 billion, when there are additional quality programs identified that are going unfunded? (Unfunded quality demand currently amounts to about US\$2.8 billion, which would mean the Global Fund should be asking for US\$15.3 billion – not US\$13 billion.)

The target is a realistic estimate of what the world can commit – and it is a minimum target, not a ceiling. As our Executive Director Mark Dybul likes to say: We can do more with more. For quality programs that lack funding, the Global Fund has established a register to openly list all approved and unfunded demand, providing an opportunity for non-Global Fund donors to step in if possible to fund the request.