

The U.S. & The Global Fund to Fight AIDS, Tuberculosis and Malaria

Key Facts

- The Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund), founded in 2002, is an independent, multilateral, financing entity designed to raise significant resources and accelerate efforts to end the AIDS, tuberculosis, and malaria epidemics.
- The U.S. government (U.S.) provided the Global Fund with its founding contribution and is its largest single donor; between FY 2001 and FY 2018 Congressional appropriations to the Global Fund totaled \$16.6 billion. The U.S. also plays a key role in the organization's governance and oversight.
- As of January 2019, the Global Fund had approved more than \$48 billion in funding and disbursed approximately \$40 billion to over 120 countries;¹ these investments have helped to save 27 million lives.
- The future of U.S. support for the Global Fund is at a critical juncture amidst budget uncertainty in the U.S., and as the Global Fund enters its next replenishment phase in October 2019.

What is the Global Fund?

Overview

The Global Fund is an independent, multilateral, financing entity designed to raise significant new resources to combat HIV/AIDS, tuberculosis (TB), and malaria in low- and middle- income countries. First proposed in 2001, the Global Fund began operations in January 2002 and receives funding from both public and private donors to finance programs developed and implemented by recipient countries. The Global Fund uses a “country-defined” and “results-based financing” model that focuses on country ownership and is supported by investments from both donors and implementing countries (by contrast, bilateral support is provided from donors directly to recipient country governments, non-governmental organizations, and other entities and often reflects donor-defined priorities). To date, over \$50 billion has been pledged by all donors (governments, the private sector, and private foundations) to the Global Fund.² Using these resources, the Global Fund has approved more than \$48 billion in grants to over 120 countries.³

The U.S. has played an integral role in the Global Fund since its inception. During the administration of President George W. Bush, the U.S. provided the Global Fund with its founding contribution and was involved in the initial negotiations on the multilateral organization's design. During President Barack

Obama’s administration, the U.S. pledged \$12.3 billion to the Global Fund over three replenishment periods.⁴ While President Donald Trump’s administration has proposed reducing U.S. contributions to the Global Fund, it has also stated that these funding levels would fulfill the U.S. pledge made during the Obama administration to provide two dollars for every dollar pledged by other donors, and that the Global Fund is an “essential partner”⁵ and “a smart investment.”⁶

In addition to being the Global Fund’s single largest donor (see Table 1), the U.S. maintains a permanent seat on the Global Fund Board, giving it a key role in governance and oversight.⁷ The Global Fund has been called the “multilateral component” of the U.S. President’s Emergency Plan for AIDS Relief (PEPFAR),⁸ serving as an important part of the U.S. government’s global health response, expanding its reach to more countries, and leveraging additional donor resources.

Still, there have been ongoing questions about the appropriate balance of U.S. funding between the Global Fund and U.S. bilateral programs, the role of multilateralism in U.S. global health policy, and the Global Fund’s sustainability given a shortfall in the availability of resources to meet country demand.⁹

Table 1: Total Global Fund Pledges and Contributions as of October 2018 (US\$billions)				
	Total Pledges	% of Total Pledges	Total Paid	% of Total Paid
Total	\$48.6	100.0%	\$44.7	100.0%
United States	\$16.1	33.1%	\$14.1	31.7%
France	\$5.8	12.0%	\$5.4	12.0%
United Kingdom	\$4.4	9.1%	\$3.7	8.2%
Germany	\$3.5	7.1%	\$3.3	7.4%
Japan	\$3.2	6.5%	\$3.1	7.0%
European Commission	\$2.4	5.0%	\$2.4	5.3%
Canada	\$2.3	4.7%	\$2.1	4.7%
All Other Countries	\$8.3	17.2%	\$7.8	17.5%
Non-Governmental Donors	\$2.6	5.3%	\$2.8	6.3%

NOTES: Includes pledges made for the period 2001-2018 as well as those made with year of commitment yet to be confirmed. Pledge and Paid amounts, if listed by the Global Fund in the currency of origin, were converted to U.S. dollars by calculating the annual average exchange rate from the Federal Reserve Foreign Exchange Rates tables and from FRED Economic Data at the Federal Reserve Bank of St. Louis.¹⁰ Percent totals may not sum due to rounding. “Total Paid” by Non-Governmental Donors exceeds “Total Pledges” due to proceeds from the (PRODUCT)RED campaign.

SOURCES: The Global Fund: <http://www.theglobalfund.org/>; as of January 2019, Kaiser Family Foundation Analysis. Federal Reserve, Foreign Exchange Rates, Accessed January 2019 from <https://www.federalreserve.gov/releases/h10/hist/>. Federal Reserve Bank of St. Louis, FRED Economic Data, Accessed January 2019 from <https://fred.stlouisfed.org/>.

Funding Model & Organizational Structure¹¹

The Global Fund was established as an independent foundation under Swiss law and operates as a multilateral financing entity. Funding is pooled from multiple sources, including from donor governments, the private sector, and private foundations. Countries submit proposals to the Global Fund and if approved, funding is provided using a performance-based system where a grant is regularly monitored and evaluated to determine if it should be extended or discontinued based on the effectiveness of the program. The Global Fund launched a new funding model in 2013 that, among other things, created a more flexible timeline for eligible countries to apply and allowed for a focus on high disease burden and low resource settings.¹² In order to incentivize recipient countries to increase their domestic investments and increase country ownership, the Global Fund also requires a minimum of 15% co-financing for each approved grant.¹³

The Global Fund's organizational structure includes a broad set of stakeholders, and the U.S. government is involved in many of its core structures:

- **Board.** The Board guides policy and strategic decisions and approves all funding. There are 20 voting members (10 implementers and 10 donors) and 8 non-voting members as follows:
 - *Implementers:*
 - *Developing countries:* seven members, one from each of the six WHO regions and an additional member from Africa;
 - *Civil Society:* one from a developing country non-governmental organization (NGO), one from a developed country NGO, and one representative from an NGO who is a person living with HIV/AIDS or from a community living with TB or malaria.
 - *Donors:*
 - *Government:* eight members, including the U.S. which has a permanent Board seat and is serving as vice-chair of the Board. The U.S. is also serving as vice-chair of the Strategy Committee and sits on the Audit and Finance and Ethics and Governance Committees.¹⁴
 - *Private Sector:* one member
 - *Private Foundation:* one member
 - *Non-voting:* eight members, including the Global Fund Executive Director, the Board Chair and Vice-Chair, one representative from Global Fund partner organizations, one representative each from WHO, UNAIDS, and the World Bank, and one representative from public donors that is not part of a voting donor constituency, but has pledged at least \$10 million in the most recent replenishment cycle (2017-2019) to the Global Fund.
- **Secretariat.** Based in Geneva, the Secretariat manages day-to-day operations. Because the Global Fund finances but does not implement programs, it does not maintain any in-country staff.

- **Technical Review Panel (TRP).** An independent body of global health and development experts (which has included U.S. government experts) appointed by the Board to evaluate the merits of all proposals and make funding recommendations to the Board.
- **Technical Evaluation Reference Group (TERG).** An independent body of global health and development experts appointed by the Board to provide oversight on the Fund's evaluation efforts, including evaluation of the Global Fund business model, investments, and impact.
- **Office of the Inspector General.** An independent body of the Global Fund that reports directly to the Board through its Audit and Finance Committee, the Office of the Inspector General provides the Board with audits and investigations of the Fund's activities, in an effort to promote good practices, reduce funding risks, and report on potential abuse.
- **Country Coordinating Mechanisms (CCMs).** The country-level entity comprised of public and private sector representatives, such as governments, businesses, and non-governmental organizations (NGOs), that submits proposals to the Global Fund and oversees funded grants within a country. U.S. representatives sit on CCMs in almost all PEPFAR focus countries and often help with proposal development. The U.S. has also entered into MOUs in several countries to bring together PEPFAR with Ministries of Health and the Global Fund to clarify collaboration and partnership activities, particularly in the area of antiretroviral drug procurement.
- **Principal Recipients (PR).** The legal entity chosen by the CCM to receive Global Fund disbursements, implement programs or contract with sub-recipients, and provide regular reports and progress updates to the Secretariat.
- **Local Funding Agents (LFA).** Since it does not have an in-country presence, the Global Fund contracts with a local entity (usually an accounting firm) to monitor program implementation, ensure financial accountability, and provide funding recommendations to the Secretariat.

Results

As of January 2019, the Global Fund had approved more than \$48 billion in funding and disbursed approximately \$40 billion to over 120 countries, including countries that also receive U.S. bilateral support for HIV, tuberculosis, and/or malaria, but also many others that do not (see Table 2).¹⁵ Funding supports a wide range of care, treatment, and prevention activities and health systems development and strengthening. The Sub-Saharan African region has received the largest share of approved funding (65%), followed by the Asia and the Pacific region (19%).¹⁶ Most approved funding has supported HIV programs, followed by malaria and TB (see Table 2). The Global Fund, which was the second largest donor to global health programs in 2017 (the U.S. was the largest),¹⁷ estimates that, since 2002, its grants have helped save the lives of 27 million people who would have otherwise died due to complications from AIDS, tuberculosis, or malaria.¹⁸

Table 2: Global Fund Portfolio Status					
	HIV	TB	Malaria	HIV/TB	Other
Approved Grant Funding (billions)	\$22.7	\$7.6	\$14.2	\$3.2	\$0.9
% of Approved Grants	46.6%	15.7%	29.2%	6.5%	1.9%
# Countries Receiving Grants	120	109	84	38	32

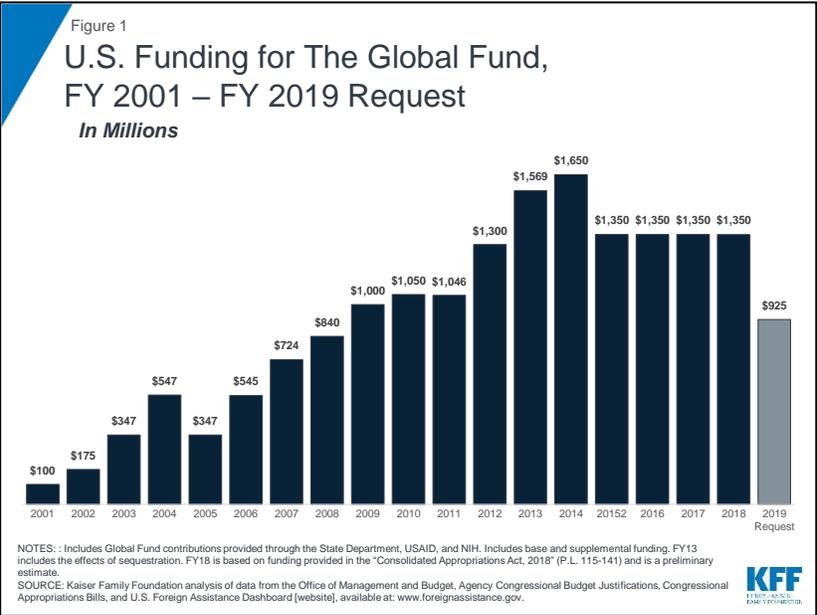
NOTES: Kosovo and Zanzibar are not counted separately and are considered part of Serbia and Tanzania, respectively. "Other" includes grant funding for Health Systems Strengthening (HSS) and Resilient & Sustainable Systems for Health (RSSH).

SOURCE: The Global Fund: <http://www.theglobalfund.org/>; as of January 2019, Kaiser Family Foundation Analysis.

U.S. Engagement with the Global Fund

In addition to U.S. governance and oversight of the Global Fund, U.S. financial support has been significant and a key component of U.S. involvement (see Figure 1).¹⁹ The U.S. first contributed to the Global Fund in FY 2001 through annual appropriations bills.²⁰ All U.S. support for the Global Fund was then incorporated into PEPFAR when it was created in 2003.²¹ At that time, Congress authorized up to \$1 billion for the Global Fund for FY 2004 and "such sums as may be necessary for FY 2005-2008."²² In the 2008 reauthorization of PEPFAR, Congress authorized up to \$2 billion in FY 2009, and "such sums as may be necessary for FY 2010-2013".²³ In 2013 and 2018, Congress again reauthorized PEPFAR, and while it included provisions on U.S. support for the Global Fund (see below), it did not include specific funding amounts. See the KFF [brief](#) of PEPFAR reauthorization.²⁴

Congress earmarks support for the Global Fund each year as part of PEPFAR appropriations, and funding is typically provided through the State Department, although funding has also been provided through USAID and NIH. Between FY 2001 and FY 2018, Congressional appropriations to the Global Fund have totaled \$16.6 billion, including \$1.35 billion in FY 2018.²⁵ The Trump administration requested \$925 million for FY 2019.²⁶



Congress has historically matched or provided more to the Global Fund each year than the President has requested, but it has also placed restrictions on U.S. contributions and raised concerns about monitoring and evaluation:²⁷

- Requiring that total U.S. contributions do not exceed 33% of total contributions from all donors, a provision that was part of the original PEPFAR authorization and maintained in the reauthorization. Designed to leverage U.S. contributions to increase support from other donors and to limit the U.S. from becoming the predominant donor to the Global Fund, it was invoked only once, in FY 2004 when appropriated funds were held back until the following fiscal year when the 33% cap would not be exceeded.
- Setting aside 5% of U.S. contributions to cover the cost of technical assistance to Global Fund grantees, a provision first included in foreign operations appropriations bill language in 2005 and in subsequent years.
- Authorizing the Secretary of State to withhold a percentage of the U.S. contribution until the Global Fund could demonstrate improved oversight and accountability in grant disbursement.
- Requiring, as part of the FY 2012 through FY 2016 appropriations bills, that the Administration consult with Congress prior to making multi-year funding pledges.

Key Issues

While the Global Fund has contributed to significant global scale-up of resources, service delivery, and coverage to combat HIV, TB, and malaria,²⁸ and been described as “complementing PEPFAR objectives,”²⁹ the extent of U.S. involvement in the Global Fund is an ongoing discussion especially as the Administration, Congress, and the Global Fund make decisions in a resource-constrained setting. These issues include:

- The future of U.S. financial commitments to the Global Fund, including the next U.S. pledge to the Global Fund for its Sixth Replenishment period, FY20-FY22;
- The appropriate balance between U.S. support for multilateral efforts, such as the Global Fund, which allows for the leveraging of other donor and implementing country resources, greater reach, and enhanced coordination, and bilateral programs, which allows for increased control and oversight;
- The ability of the U.S. and the Global Fund to coordinate and complement efforts to address the impacts of HIV, TB, and malaria when the availability of resources has become constrained.

Endnotes

- ¹ Does not include countries that may have received funding through regional programs.
- ² Includes pledges through 2019.
- ³ Does not include countries that may have received funding through regional programs. The Global Fund: <http://www.theglobalfund.org/>; as of January 2019. Kaiser Family Foundation Analysis.
- ⁴ The U.S. pledged \$4 billion in both the FY11-FY13 and FY14-16 replenishment cycles and \$4.3 billion in the FY17-FY19 replenishment cycle. U.S. State Department, *Obama Administration's Pledge to Global Fund to Fight HIV/AIDS, Malaria and Tuberculosis*, October 5, 2010. The Global Fund, *Fourth Voluntary Global Fund Replenishment Pledges*, December 2013. White House, Office of the Press Secretary. *Statement by National Security Advisor Susan E. Rice on the United States' Global Fund Pledge*; August 31, 2016.
- ⁵ U.S. Department of State, *FY2018 Congressional Budget Justification - Department of State, Foreign Operations, and Related Programs*, May 2017.
- ⁶ U.S. Department of State, *FY 2019 Department of State Foreign Operations Congressional Budget Justification*, February 2018.
- ⁷ The Global Fund: <http://www.theglobalfund.org/>; as of January 2019. Kaiser Family Foundation Analysis. White House, *President Announces Proposal for Global Fund to Fight HIV/AIDS, Malaria and Tuberculosis*; May 11, 2001.
- ⁸ U.S. Congress, Public Law No: 110-293; July 30, 2008.
- ⁹ U.S. Senate Committee on Foreign Relations (Minority Staff Report), *Fraud and Abuse of Global Fund Investments at Risk without Greater Transparency*, April 5, 2011. The Global Fund, *The Global Fund Strategy 2017-2022*, November 2017.
- ¹⁰ Currency conversions were calculated for Australia, Belgium, Canada, Denmark, European Commission, France, Germany, Ireland, Italy, Liechtenstein, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Sweden, Switzerland, and the United Kingdom.
- ¹¹ The Global Fund, *The Global Fund to Fight AIDS, Tuberculosis & Malaria: By-laws, As Amended*, November 14, 2017. Center for Global Development, *Overview of the Global Fund to Fight AIDS, Tuberculosis and Malaria*.
- ¹² The Global Fund, *Global Fund Launches New Funding Model*, February 28, 2013. The Global Fund, *Funding Model Overview*, Accessed February 3, 2016.
- ¹³ The Global Fund funding model includes a co-financing requirement that at least 15% of each approved grant is withheld until the country has committed to additional investments over and above previous levels of spending. Global Fund, Website: Funding Model: Co-financing, available at: <https://www.theglobalfund.org/en/funding-model/funding-process-steps/co-financing/>.
- ¹⁴ The Global Fund, *Electronic Report to the Board: Appointment of the Vice-Chair of the Finance and Operational Performance Committee*, May 2015.
- ¹⁵ The Global Fund: <https://www.theglobalfund.org/en/portfolio/>; as of January 2019. Kaiser Family Foundation Analysis.
- ¹⁶ The Global Fund, *Global Fund Results Report 2018*, September 2018.
- ¹⁷ Kaiser Family Foundation Analysis of OECD DAC CRS database, January 2019.
- ¹⁸ The Global Fund, *Global Fund Results Report 2018*, September 2018.
- ¹⁹ Kaiser Family Foundation Analysis.
- ²⁰ Congressional Research Service, *The Global Fund to Fight AIDS, Tuberculosis, and Malaria: Issues for Congress and U.S. Contributions from FY2001 to the FY2012 Request*, July 1, 2011.
- ²¹ U.S. Congress, Public Law No: 108-25; May 27, 2003.
- ²² U.S. Congress, Public Law No: 108-25; May 27, 2003.
- ²³ U.S. Congress, Public Law No: 110-293; July 30, 2008.
- ²⁴ U.S. Congress, Public Law No: 113-56; December 2, 2013. U.S. Congress, Public Law No: 115-305; December 11, 2018.
- ²⁵ Kaiser Family Foundation Analysis.

²⁶ U.S. Department of State, *FY 2019 Department of State Foreign Operations Congressional Budget Justification*, February 2018.

²⁷ Kaiser Family Foundation Analysis. U.S. Congress, Public Law No: 110-293; July 30, 2008. U.S. Senate Committee on Foreign Relations (Minority Staff Report), *Fraud and Abuse of Global Fund Investments at Risk without Greater Transparency*; April 5, 2011. U.S. Congress, Public Law No: 112-74; December 23, 2011.

²⁸ Kaiser Family Foundation, *Donor Funding for Health in Low- & Middle-Income Countries, 2002-2013*; November 2015.

²⁹ Congressional Research Service, *The Global Fund and PEPFAR in U.S. International AIDS Policy*; November 3, 2005.