



Investing in our future

The Global Fund

To Fight AIDS, Tuberculosis and Malaria

Third Voluntary Replenishment (2011-2013), Pledging Conference
New York, USA, 4-5 October 2010

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Chair's Summary

1. The Second Meeting of the Third Voluntary Replenishment of the Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund) took place in New York from 4-5 October 2010. The meeting was chaired by the United Nations Secretary General Mr Ban Ki-moon. Mr Richard Manning served as Vice Chair. Fifty delegations participated in the meeting.
2. The Secretariat provided the meeting with a briefing on the Global Fund's current financial position. It was noted that US\$ 0.4 billion of net additional pledges had been made since the Berlin pledging conference in 2007 and that 95 percent of pledges under the second replenishment were expected to be fulfilled by the end of 2010. This has enabled the Secretariat to enter into grant commitments during this replenishment period at a level 80 percent above that of the previous three-year period. Based on current projections of contributions and disbursements, the Secretariat expects there to be US\$ 300 million in uncommitted resources at the end of 2010, all in the form of promissory notes. Participants noted that in the forthcoming replenishment period a forecast US\$ 8.3 billion for the continuation of existing programs could be required, but emphasized that the approval of such funding should follow the Fund's performance based scrutiny.
3. Participants noted the importance of donors fulfilling their pledges in a timely manner and asked the Finance and Audit Committee (FAC) to review the conversion of pledges to contributions at their February meeting.
4. The Secretariat's update on resource mobilization activities was welcomed. Participants commended the Secretariat for its success in mobilizing funding from non-traditional sources, including companies, foundations, faith-based organizations and private philanthropy. They welcomed the good progress made in the area of innovative financing and the presence of several new donors at the pledging conference. The importance of continuing to broaden donor support for the Global Fund was emphasized.
5. Participants noted the significant progress made in reviewing the Comprehensive Funding Policy (CFP). They welcomed the Board's decision in September, based on recommendations from the first phase of the review to introduce multi-year contribution agreements and to revise the CFP to provide for the use of promissory notes by private donors. Further recommendations from stage two of the review are expected to be put to the Board at its Twenty-Second meeting in December.

6. Participants welcomed the Secretariat paper “An Agenda for a More Efficient and Effective Global Fund” and the accompanying presentation. They commended the Secretariat for the progress already made in adapting and streamlining grant management processes including the rapid roll-out of the country team approach, which had already achieved faster grant signature and disbursement and the consolidation of a number of existing grants. They welcomed the Secretariat’s clear commitment to this agenda, including its plans to enhance staff skills in support of it. Participants encouraged the Secretariat to simplify its processes and further reduce the transactions costs in its programs.

7. Participants recommended accelerating the implementation of key policies, including the new grant architecture, national strategy applications, and the joint platform for health systems strengthening. They recognized the value of the summary matrix in the Secretariat paper, including the deliverables and timelines, and encouraged the Secretariat to further strengthen it by including clear indicators of progress to measure impact and client satisfaction at the country level. Participants emphasized the importance of well-targeted prevention programs and implementing a strong and effective gender strategy. They also looked forward to the rapid conclusion of on-going work on how the Global Fund can further increase its impact on maternal and child health.

8. Participants underlined the importance of the active and sustained engagement of all partners to the Global Fund’s business model. While there was encouraging progress in developing synergies at the global level, it was recognized that more attention was needed to the regional level and that significant work still needed to be done at the country level. Participants recognized the need to respond to specific country situations, rather than taking a “one size fits all” approach. In line with the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action, participants highlighted the leadership role of implementing countries in setting the framework within which all partners, including the Global Fund, should provide their support.

9. Participants also recognized the need to better define the roles and responsibilities of the Global Fund, multilateral and bilateral partners in the financing and implementation of programs and in capacity building and technical assistance. They suggested that the Secretariat should launch a process to explore options on how to coordinate bilateral and Global Fund activities to be discussed by the Global Fund Board so that the synergies between Global Fund supported and bilateral programs can be fully exploited.

10. Participants noted the importance of improved communication and collaboration between the Secretariat and other partners at the country level. They felt that the Country Coordination Mechanism (CCM) has been a major innovation enabling multi-stakeholder involvement in priority setting, proposal development and program oversight, with implications beyond the health sector. Participants stressed, however, the need to strengthen the capacity of CCMs to carry out these functions more consistently.

11. Participants underlined the importance they attached to an effective response to the findings of the Office of the Inspector General (OIG). They welcomed the steps being taken in the Secretariat in this direction. They underscored the importance of improved and timely communication on OIG audits and investigations and action taken in response to those audits, consistent with the Global Fund's strong reputation for transparency and accountability. They highlighted the important role of Local Fund Agents in ensuring independent verification of programmatic achievements and proper use of funds and stressed the need for an enhanced and clearer accountability structure at country level.

12. Participants stressed the importance of good communication around the results that the Global Fund is achieving and the need for more evaluation of the impact of the fund's programs and its business model.

13. Participants recognized the importance of achieving maximum value for money, including developing a more standardized methodology for measuring unit costs, to serve as benchmarks informing grant management. As demand is likely to outstrip available funding, they encouraged the early completion of current Board deliberations on prioritization, eligibility and cost sharing.

14. Participants welcomed the US\$ 11.69 billion in pledges and projections for 2011-13 outlined during the pledging session. This includes firm pledges from public donors, foundations, the private sector and innovative finance instruments amounting to US\$ 9.17 billion. In addition the secretariat conservatively projected a further US\$ 2.52 billion will be contributed over the replenishment period, reflecting contributions expected from governments that were not in a position to pledge, as well as further contributions from public and private donors and innovative finance mechanisms.

15. Participants noted that the funding outlined during the pledging session represented an increase of 20 percent progress compared to the US\$9.7 billion announced at the conclusion of the Berlin pledging conference in 2007. While this was a significant increase, not least in an environment of economic uncertainty and cutbacks in government and private sector spending, it fell short of the scenarios put forward at the Replenishment preparatory meeting in The Hague. Participants encouraged donors not in a position to pledge to advise their contribution as soon as possible in order to maximize the Global Fund's ability to carry out its work on the three diseases. In addition, they invited the Board to consider providing opportunities for further pledges. This would enable the Board to take them into account when considering new grant approvals. One such opportunity could be provided by the Mid-Term Review meeting, which participants agreed should be held in the course of 2012.

16. Participants warmly thanked Secretary General Ban and Mr. Manning for their effective chairing of the Third Voluntary Replenishment.