



Investing in our future

The Global Fund

To Fight AIDS, Tuberculosis and Malaria

**Tenth Board Meeting
Geneva, 21-22 April 2005**

GF/B10/10

REPORT OF THE RESOURCE MOBILIZATION AND COMMUNICATIONS COMMITTEE

Outline: This paper summarizes the meeting of the Resource Mobilization and Communications Committee, which took place on the 24th and 25th of January 2005. Primary issues on the agenda included the reports being prepared for the first Replenishment, the logistics and preparation for the event itself, and a discussion on targeted donations.

Summary of Decision Points:

There are no decision points arising from this meeting.

Part 1: Introduction

1. The Resource Mobilization and Communications Committee met on 24 and 25 January 2005 under the leadership of its Chair, Mr. Stuart Flavell. The meeting agenda and the list of participants are attached as Annexes 1 and 2.

Part 2: Update on External Relations Activities

1. The Secretariat reported on the activities which had taken place in External Relations since the Ninth Board Meeting in November 2004. The Secretariat introduced Mr. Mick Matthews, who recently joined the Global Fund as Civil Society Officer.

2. The Secretariat announced that the Global Partnerships team has commissioned an independent study on the benefits of frontloading development assistance in the context of the International Finance Facility (IFF), as well as a feasibility study on debt conversion for AIDS, jointly commissioned with UNAIDS.

3. The Board Relations team, having completed a highly successful Board meeting in Arusha in November, is now working on preparations for not only the replenishment meetings to be held in Stockholm and London but also the next Board meeting to be held in Geneva in April.

4. The Secretariat reported on the progress made on awareness campaign currently being produced in conjunction with Publicis. The next phase is being planned for the UK, Germany and Japan. The ad campaign on VH1 is continuing and will be expanded with a documentary film which will be aired later in the year. The Secretariat has been working with key partners, including UNF, on an international AIDS stamp, a fundraising vehicle which has been successfully used for breast cancer.

5. The Secretariat welcomed Dr. Sven Sandström to the meeting.

6. The Chair reported on the meeting which was held the previous week to discuss the status of Board committees. Attendees at this meeting, which included all the committee chairs along with Dianne Stewart and Christina Schrade of the Secretariat, discussed the results of the Booz Allen Hamilton report at length. The Committee raised a number of questions about process concerning the review of Board committees, as well as the expected outcome. The review committee will present at report at the April Board meeting.

Part 3: Forecast of Pledges and Contributions

1. Mr Barry Greene, Chief Financial Officer, gave an overview of the forecast for 2005. At the end of January 2005 there are pledges of USD \$1.3 billion for this calendar year. USD \$100 million has been carried forward from 2004. The estimated need for Phase 2 is USD \$1.3 billion (this assumes an 85% success rate), which leaves USD \$100 million currently available for Round 5.

2. The Secretariat pointed out that it is very likely additional resources will become available for Round 5 as pledges have not yet been received from several major donors such as Japan. The Vice-Chair suggested that we may need to consider a smaller Round 5, given the lack of resources and the new conditions taken into consideration in the revised guidelines. The Chair pointed out that it is unclear whether the level of demand for Round 5 will be similar to Round 4. The question was asked if donors would be prepared to make contributions for Round 5 when they come to the replenishment conference.

3. Regarding the Comprehensive Funding Policy: two firms which were approached to do a review of the CFP on a *pro bono* basis have declined, and the Secretariat is now seeking guidance from the Chair of the MEFA Committee as well as the Chair of the Board. The Secretariat is now considering paying a fee for the study, given its importance.

Part 4: Replenishment Update

Logistics and General Preparations

1. The discussion on the Replenishment Mechanism opened with comments on its necessity due to the issues of long-term financial commitment and sustainability. It then moved to specific operational and other issues which will affect donor perceptions of the resource needs of the Global Fund, such as ARV totals to date, and variations in definitions of disbursement such as whether disbursement is measured only to the level of Principal Recipient or whether it ought more usefully include expenditure beyond the PR level.

2. The early portion of the discussion centered on the purpose and content of the high-level forum on donor harmonization which will be held in Paris in early March and a meeting organized by UNAIDS on "Making the Money Work" to be held in London prior to the Stockholm meeting.

3. Following this, a report was presented on progress made to date in arrangements for the Stockholm meeting. The report included a timetable of arrangements, logistics, the draft agenda, and information on likely attendance. There is to be no interpretation at the replenishment, due to cost, but the supporting documents prepared by the Secretariat would be offered in English and French.

4. Delegations from 35 donor countries are expected to participate in Stockholm, in addition to board members, partner agencies, NGOs and others. The list of invitees was arrived at with input from Sven Sandström, the Board and Secretariat. There was a long discussion about a potential threshold to qualify donors for active participation in the meeting, with particular reference to the private sector and foundations. It was agreed that this issue should be handled with flexibility to allow maximum participation.

5. The need was stressed by the Committee for more civil society communication beforehand and in the interim between the Replenishment meetings.

6. A brief report was also given to the Committee on the second replenishment meeting, due for September 2005 in London. Dr. Sandström suggested that the Secretariat be prepared for the possibility of a second meeting between the meeting in Stockholm and the September meeting in London. The purpose of such a meeting would be to deal with any leftover questions on the part of the donors and then discuss the pledges. It also serves to finalize the donors' report, which includes donors' views of the institution and the agreed amounts. The third meeting, in the UK, will be different as it will include ministerial participation as well as the presence of Kofi Annan on the first day.

7. For the Stockholm meeting, Mrs Louise Fréchette, Deputy Secretary-General, will represent Mr Kofi Annan. The Secretary-General's office is waiting for more information before deciding which day of the UK meeting he will attend.

8. The issue of communication was also discussed at length. Perhaps the Secretariat should develop a communications strategy or tools which participants could use to communicate more effectively about the replenishment. A question was also raised about the use of high-level

champions in the lead-up to the replenishment. It would be good to multiply current efforts and identify others who could champion us between the two meetings. Dr. Sandström recommended that the Secretariat look at Mr Hilary Benn and Mr Tony Blair. It was pointed out that it is also important to keep in touch with the G8 Sherpas.

Replenishment documentation

9. The Secretariat reported to the Committee on the progress of the proposed documents supporting the Replenishment, their process and timelines.

10. Referring to the style of the documentation, the Committee warned of the pitfalls of assuming too much prior knowledge of the Global Fund among invitees. The advice to the Secretariat was to tell a basic story in terms of projected and current effects of significantly increased resources.

11. Input from the Committee included requests for an executive summary for each document; an overall summary for all documents including a guide to the documents and their use; an extra fact sheet for each document with key messages.

12. The **Progress Report** content was outlined (Part 1 – introduction, the Global Fund role and challenges; Part 2 – building performance measurement; Part 3 – data on the 27 Phase 2 grants). Requests were made for specific contextual information in the proposed text, for example around ARV targets, and for information on the architecture of partnerships. The importance was emphasized in all these documents of sustaining the Fund reputation for frankness and transparency.

13. Mr Daniel Low-Beer, Senior Manager (Monitoring Evaluation), then presented information on Phase 2 which would be included in the Progress Report. The average age of grants is still less than a year old. Headline results are: 130,000 people on ARVs, 385,000 people treated under DOTS, 1.35 million bed nets distributed. There is a tension between long-term commitment and wanting results NOW. Showing how getting results quickly fits into overall country strategy for the long term. In terms of country targets – ARV treatments, tuberculosis treatments are on target, whereas malaria is below target. There is a certain level of variability in performance from country to country – it is important to ensure that funding goes to countries with the best results.

14. For information, the Committee sought explanations of the roles and interactions between the Global Fund and PEPFAR, the use of the Grant Performance Reports in Phase 2 assessments, and results measured to date. It was commented that in Global Fund presentations it is important to emphasize that results are country-owned and not Global Fund results as such.

15. There was some discussion about the value of measuring not only levels of coverage but also quality of treatment. The Secretariat pointed out that these are targets set by the CCMs and supported by the TRP. The purpose of this report is merely to measure against these agreed targets. But it was agreed that quality is also important, and this is where the Secretariat looks to partners for support and collaboration on information about quality, for example as in the case of collaboration with WHO on ARV treatment quality. The SIE team is currently working on indicators to cover these, which will be used in conjunction with the M&E Toolkit. The Private Sector asked if there was information available on adherence, and the Secretariat responded that there is information available, but only in countries where that is being tracked. The Global Fund has been flexible on which indicators are used.

16. There was also discussion about how to present results from early grants being useful but not indicative of the whole portfolio, and the challenge of assessing risk for grant approvals and renewals.

17. The Chair thanked the Secretariat for the intensive analysis which was done in order to bring these results to the Committee and reminded the Committee that the purpose of the discussion was to think about what information is needed for the replenishment and how to bring data forward for that particular audience. There was a question about showing disbursements from the Principal Recipient to sub-recipients. Also, several participants noted that different agencies use the same terms to mean different things, and that it might be useful to have some sort of glossary of terms. The Chair suggested that the Grant Performance Scorecards show a great level of detail and that these could be used to flesh out the story and also reminded everyone to promote the level of detail which can be found on the website.

18. It was recommended that there should be other documents made available for reference, such as the full UNAIDS epidemiological update.

19. The Chair welcomed Prof. Richard Feachem and invited him to speak to the issues concerning resource needs and in particular to explain the process by which the Global Fund arrived at the estimates included in the draft **resource needs report**.

20. The Secretariat explained that there is an intense collaborative effort underway with UNAIDS, WHO, the StopTB Partnership and Roll Back Malaria in order to come up with the most appropriate figures. Bernhard Schwartlander is coordinating this effort on behalf of the Secretariat. The results of this effort will have particular relevance for a global financial framework prepared by UNAIDS and similar efforts by StopTB and Roll Back Malaria.

21. The Committee had a number of questions and comments about this report and about how the figures were derived. Feedback included comments that it was not clear from the presentation how much of Global Fund disbursements went to capacity building, how these goals related to the overall Millennium Development Goals, about how important it will be to show the impact of Global Fund investments, how effectively that money is being spent, etc.

22. Dr. Sandström commented that the methodology used is clear and that donors are used to this approach and will therefore be more interested in outcomes and in whether these figures are conservative or not. It will be important during the replenishment to talk about upward potential for future requirements and thus lay the groundwork for future replenishments.

Part 5: Mobilizing Private Donations

1. The Secretariat explained that non-governmental financing currently accounts for 4 – 5% of overall contributions. The Private Sector and Private Foundations constituencies have previously reported on the challenges for these sectors to contribute in the short-term. However, there is potential for contributions in the long term. One hurdle to mobilizing private funds has been the inability to offer a set of specific donation opportunities and another is the lack of human capital needed to raise resources.

2. What is being proposed is allowing non-governmental contributors the ability to donate to a disease or a continent or to a specific intervention in a way which doesn't run up transaction cost, work against existing policies or change how the Global Fund's programmatic decisions and disbursement processes in any way. This sort of system would allow non-governmental donors to have a better sense of how their individual contributions could/would be used.

3. Mr. Michael Madnick of the UN Foundation provided some context for the discussion. The UN Foundation is a public charity under U.S. tax law. They have received US\$ 5.6 million for the Global Fund to date, approximately US\$ 3.7 of that from the U.S. public with almost no effort. In terms of human capital: the United States Red Cross raises approximately US\$ 800 million per year and employs between 800 and 900 full-time fundraisers in order to achieve that goal. By comparison, the human capital which would be required for the Global Fund would be enormous. This means that the Global Fund needs to be more creative in increasing individual and corporate donations.

4. The UN Foundation spends probably the equivalent of US\$ 200,000 per year in in-kind support for the Global Fund; they have committed to hiring two full-time staff who will devote their time to fundraising on behalf of the Global Fund. Up until now, the UN Foundation has made little proactive effort on behalf of the Global Fund, but donations have increased. In 2004, they had received US\$ 800,000 – US\$ 400,000 of that in the one month after Ted Turner's appeal. The average gift is relatively high. Research with their corporate partners indicates a need/desire for opportunity to earmark funds.

5. Several members of the Committee felt that it was important that funds *not* be earmarked, as it could be seen to go contrary to the founding principle of country-driven programs and feel that earmarking could be a dangerous precedent. However, the Private Sector and Foundations pointed out that lifting this barrier could potentially give access to new sources of money and allow the Global Fund to increase the diversity of its donor base.

6. Mr. Flavell pointed out that the opportunity here is that people could better identify with the Global Fund and increase the goodwill towards the Global Fund, which then leads to greater support for government funding.

7. The Secretariat, working with the UN Foundation, has decided to move forward with this model. The Secretariat emphasized that it will be very important to differentiate between public sector and private sector donors and that there are different procedures for each. The point being that the Global Fund has to avoid a situation where public sector donors are stipulating where their funds are to be spent.

8. The Secretariat pointed out that the Global Fund has been able to accommodate specific requests by public donors to accommodate their need for earmarking, making sure that their contributions go to particular regions or groups of countries.

9. A paper was prepared by the Secretariat to inform the Committee Discussion on this issue which is attached as Annex 3.

Any Other Business

1. The Chair asked whether it would be a good idea to hold another meeting of the RMCC after the Stockholm meeting and before the next Board meeting in April. In light of the changes to the committee structure it may be useful to have consultation meetings, and more information may be needed about resource needs for Round 5. The Chair put the committee on notice that there may be one more meeting.

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Resource Mobilization and Communications Committee Meeting,
Global Fund Offices, Geneva, 24th & 25th January 2005

AGENDA

24th January 2005

11.30	Registration	
12.00	Lunch	
13.00	Welcome	Stu Flavell
13.30	Update on External Relation Activities since the 9 th Board Meeting	Christoph Benn
14.00	Forecast of Pledges and Contributions in 2005	Christoph Benn, Barry Greene
15.00	Report on Replenishment (continued) <ul style="list-style-type: none"> • Resource Needs 	Bernhard Schwartzlander Richard Feachem
16.00	Coffee Break	
	Introduction and Report on Replenishment, including: <ul style="list-style-type: none"> • Participants • Logistical Arrangements 	Sven Sandström Dianne Stewart
17.30	End of Day	

25th January 2005

08.30	Coffee Available	
09.00	Report on Replenishment (continued) <ul style="list-style-type: none"> • Progress Report 	Jon Liden Daniel Low-Beer
10.00	Presentation on targeted donations by non-public sector	Private Foundations
11.00	Coffee Break	
11.15	Report on Replenishment (continued) <ul style="list-style-type: none"> • Disease Status Report 	Christoph Benn Julie Archer
12.30	Lunch	All
13.30	Report on Replenishment <ul style="list-style-type: none"> • Process pre- and post-meeting • Final Discussion 	All
15.00	Any other business	All
16.00	Close meeting	

Committee Members in Attendance:

Chairperson	Mr. Stuart Flavell
Italy	Mr. Flavio Lovisolo
Japan	Mr. Tamotsu Ikezaki
NGO Developed Foundations	Ms. Ashleigh Roberts Mr. Michael Madnick Ms. Nicole Karl
Private Sector	Mr. Jeffrey Sturchio
South East Asia	Dr. Chrunrurtai Kanchanachitra
UNAIDS	Mr. Achmat Dangor
WHO	Dr. Alex Ross

Observers:

Dr. Sven Sandström

Members of the Secretariat in Attendance:

Prof. Richard Feachem
Dr. Christoph Benn
Ms. Mariangela Bavicchi
Mr. Kingsley Moghalu
Mr. Rajesh Anandan
Ms. Dianne Stewart
Mr. Tim Clark
Ms. Julie Archer
Ms. Susan O'Leary
Mr. Barry Greene
Mr. Jon Liden
Mr. Bernard Schwartzlander

Mobilizing additional non-government financing: Creating donation opportunities for non-government donors

Draft – January 2005

1.0 Situation

At present, with the exception of the Bill and Melinda Gates Foundation and a handful of other non-government donors (Foundations, corporations and individuals), the Global Fund has not received significant financial support from non-government sources.

The lack of awareness of the Global Fund and its work among broader audiences has been a key hurdle to mobilizing non-government funds, and will require substantial partner investments and a long time horizon to address. The Secretariat is now working with key Foundation, corporate and media partners to address this issue through consumer outreach and a global advertising campaign.

Additionally, the inability for donors to be able to know where their particular contributions are being channeled to is an equally important issue that needs to be addressed in order to mobilize non-government donations.

2.0 Background - mobilizing contributions from non-government donors

Widely accepted Foundation, corporate and individual fundraising best practices, as well as the recent experience of the Secretariat's private sector resource mobilization efforts suggest that being aware of how a particular contribution is used is a critical factor for non-government donors whose contributions are motivated and determined by very different factors from those of government donors. E.g. One of the main reasons given by the Global Business Coalition on HIV/AIDS to why they did not include the Global Fund as a beneficiary in a recent employee giving campaign was that they need to be able to report back to their member companies and participating employees how their respective contributions were used (and contributing to a generic pool of funds which is distributed over 3 diseases, several continents and hundreds of programs does not allow them to do so). This ability to identify the use of a particular contribution is equally relevant to small contributions (i.e. donations of small amounts resulting from broad employee or consumer campaigns) and "major gifts" (i.e. large donations from wealthy individuals and organizations).

As the Global Fund's resource needs continue to increase dramatically, realizing significant new sources of additional financing, especially from non-government donors, will be critical in ensuring the long term success of the fight against AIDS, tuberculosis and malaria. Recognition by the Global Fund that there is a clear distinction between how contributions from government and non-government donors are motivated and determined will be a critical first step in beginning to mobilize significant non-government funds. Taking this step will require that the Global Fund respond in a manner true to both the pragmatic and entrepreneurial spirit that led to its creation as well as the fundamental principles that have guided its operations from the beginning.

3.0 Key Considerations

It is important to note that widely accepted fundraising experience, ongoing discussions with potential non-government donors, and the current low level of non-government contributions all point to the need to allow for a menu of donation opportunities and to provide the related documentation and communication back to donors as a **requirement** to mobilize non-government contributions. While addressing this issue alone will not be sufficient in and of itself to realize the full potential of non-government contributions – e.g. there will need to be a substantial investment of human capacity by Foundation and Corporate partners in order to effectively pursue such contributions -, it is certainly a critical step.

It is also important to note that the U.N Foundation, which has been able to mobilize over \$3.6 million for the Global Fund from non-government donors to date, proposes to take the lead in creating additional donation opportunities for non-government donors and work with other Foundation and Corporate partners to develop the appropriate mechanisms as well as to dedicate permanent fundraising staff and additional marketing resources to better leverage such donation opportunities.

4.0 Proposed Approach

A first step in providing non-government donors with a menu of donation opportunities would be to allow such donors to express a preference of disease and continent in making their contribution – e.g. AIDS in Africa. Such an opportunity can be pursued by the UN Foundation and its Foundation and Corporate partners without compromising any of the Global Fund's fundamental principles:

1. Limit the ability to contribute to the menu of disease-continent donation opportunities to non-government donors making contributions via the mechanism already set up by the UN Foundation to receive private contributions. This would mobilize additional funds from non-government donors for the Global Fund by offering additional donation opportunities while not affecting government donor contributions.
2. Develop menu of donations opportunities based on the potential to mobilize non-government donor contributions. This would allow the UN Foundation and its private partners and donors to effectively create opportunities to mobilize additional contributions for the Global Fund while protecting the Global Fund's image as a Global financing entity.
3. Continue to use the current framework and agreement with the UN Foundation to direct private contributions received through the UN Foundation mechanism to the main trustee account at the World Bank. This will ensure that no additional transaction costs are incurred and that program funding decisions and the disbursement process is unaffected.
4. Establish a clear communication from the UN Foundation to the Secretariat when any disease-continent specific contributions are made via the UN Foundation mechanism to guarantee that the appropriate accounting takes place. This would ensure that such a disease-continent specific contribution is used first when disbursements are made to Global Fund financed programs in that particular disease and continent. The Secretariat would then signal this activity to the UN Foundation who can in turn communicate appropriately with the donors. Again, it is important to note that this process does not lead to any significant transaction costs (the only extra activity being that of accounting for related contributions and disbursements which will be conducted by the Secretariat) or affect program funding decisions in any way.

5. In addition to standard Global Fund reporting on results, produce “consumer friendly” documentation of progress in selected programs to report back to non-government donors. While standard results tracking will be invaluable information even for non-government donors, communicating to non-government donors in a compelling manner will require qualitative documentation of personal stories with use of video / photo images etc. The UN Foundation, along with other private partners will support such documentation and marketing efforts.

5.0 Conclusion

The approach outlined above ensures that donor biases do not affect program funding decisions or disbursements and allows the UN Foundation and other private partners to mobilize additional resources from non-government sources making more funds available for all Global Fund financed programs. The legal team at the Secretariat has verified that the approach does not go against any of the Global Fund's policies and the Finance team has verified that the additional accounting procedures required would not be of significant cost.

We invite the Resource Mobilization and Communications Committee to comment on this issue as we proceed to take this critical step in mobilizing additional non-government funds to support the Global Fund and its mission.