

**Annex 8**

**GF/FAC6/12**

**DRAFT RESOURCE MOBILIZATION STRATEGY PAPER**

**Outline:** This paper provides a revised draft of the Global Fund's resource mobilization strategy.

**Part 1: Resource Mobilization and the Global Fund**

1. The Global Fund was created on a wave of political support and activism at the start of the new millennium. It was expected to provide life-saving treatment, care and prevention programs to those who needed it most and whose access to these interventions were infrequent or non-existent. The hope generated by this new idea, and the energy channeled to make it successful, were powerful drivers in ensuring that it got off to a quick start, was rapidly financed and in operation. While that initial optimism and commitment have proven justified in the swift evolution and increasing disbursements of the Fund, predictable and sustainable financing to the required levels has become an increasing challenge.

2. While there are clear indications at the international level that the global community is still seized by the challenges that first prompted them to agree on the creation of the Global Fund (cf. recent G8 promises on universal access, public commitments to increased ODA, bilateral initiatives for AIDS and Malaria, the search for appropriate innovative financing mechanisms), it will require a collective effort to ensure that this translates into rapid refinancing of the Global Fund that guarantees more than the maintenance of current programs. To achieve its initial promise the Global Fund's portfolio of investments must grow, and must allow for substantial scale-up at country level.

3. This strategy proposes a way forward for both the Board and the Secretariat to work together to ensure that the Global Fund is properly resourced and that the elements that need to be in place, both internally within the Fund's governance and operational model and externally in the global development community, are actively managed wherever possible to ensure a favorable result for the millions of people who require access to financing for services currently unavailable to them.

4. Before channeling further resources through the Global Fund, donors want to ensure that their future investments will have a strong impact. This strategy uses as its foundation the significant progress the Global Fund has made in realizing the core principles on which it was founded and impacting the lives of millions of people affected by the diseases. It makes the argument that the Global Fund has developed from a promising idea into a funding mechanism that adds substantial value and has become an important part of the global arsenal for donors investing in health and development. The replenishment mechanism culminating in 2006 at the midyear replenishment conference in July will be a key instrument to ensure that accurate information and documentation will reach relevant stakeholders of the Global Fund.

5. The strategy takes the following approach:

- outlines the global context within which the Global Fund operates and notes key areas where the Global Fund must influence outcomes;
- explains the comparative advantage that the Global Fund should demonstrate;
- notes the ongoing discussion on defining the resource needs of the Global Fund and the link to the strategy development process;
- explores potential sources of increased funding, involving both increases from within current donor ranks, and potential new sources of funding both public, private and innovative;
- makes assumptions regarding the size and origin of increased resource flows.

6. In order to ensure that the Global Fund benefits from any newly available money, the Global Fund needs to communicate its comparative advantages effectively to ensure stakeholders remain supportive and are convinced that the Global Fund is not only a viable and effective model, but the model of choice for funding a central share of the fight against the three diseases. This issue is addressed by the communications section of the strategy. The strategy concludes with a proposal on key responsibilities and accountabilities for those involved in governing and managing the Global Fund. Fully funding the Global Fund will require collective commitment and collective effort. It is an enterprise that cannot, and must not, be allowed to fail.

## Part 2: The Global Context

1. This year marks the fifth year in the life of the Global Fund. Mobilizing sufficient resources to finance high-quality, country-driven programs remain a core function of all Global Fund structures, including the Board and the Secretariat. However, a resource mobilization strategy is strongly influenced by global context and has to adapt to changing international priorities and commitments.
2. In the first two years of its existence (following the UNGASS declaration of commitment and the G8 Summit in Genoa in 2001), the Global Fund was generously provided with resources even before a final structure had been agreed upon and these resources were sufficient for immediate needs. The first time the Global Fund was faced with resource constraints was in 2003, when Round 3 was approved, and then again in September 2005 with respect to the approval of Round 5.
3. Resource mobilization in 2004 and 2005 was largely characterized by the need to demonstrate results at the country level and also to demonstrate the effectiveness of the performance-based funding model. The international debate in 2006 will center on the questions of how the Global Fund fits into the international development architecture, the best mix of bilateral versus multilateral channels for the fight against HIV/AIDS, TB and malaria and how the Global Fund can contribute to the achievement of internationally-agreed targets. This debate will have a strong influence on the Global Fund's resource mobilization strategy and priorities. The Global Fund will need to position itself carefully to ensure that funding continues to increase based on a proven mechanism.
4. Major events and debates in 2006 will focus on the following topics:
  - a. review of commitments made at UNGASS 2001;
  - b. the roadmap for ensuring universal access to prevention, care and treatment with regards to HIV/AIDS;
  - c. an expansion of current activities to adequately address tuberculosis and malaria; and
  - d. a greater emphasis on the needs of orphans and vulnerable children.
5. A resource mobilization strategy for the Global Fund must proactively relate to these issues while developing and adjusting the Global Fund's unique role.

## Part 3: Investing in the Global Fund

1. The Global Fund has a number of comparative advantages which make it a natural channel for donors to effectively invest in its operations.
2. **Performance-based financing of effective interventions leading to impact:** The Global Fund has built up a measurable, performance-based grant allocation system which ensures effective use of resources and allows donors to measure the impact of their investments. The results, so far, indicate that the system largely encourages good performance and a high level of success, even in countries without a strong previous record of aid effectiveness.
3. **Country Ownership:** The Global Fund was created to fit in with and take forward a global consensus that each developing country should control the resources at its disposal and be able to use these in accordance with its own national plans and strategies. The country-driven process, from program-design through country implementation responsibility to performance-based financing without substantive conditionalities, enables countries to take full ownership of resources provided by the Global Fund and integrate these resources into its overall national health strategies.

4. **Minimal overhead and cost-effective operations:** The Global Fund has proven that it transfers resources to countries effectively and rapidly, with a very low overhead. Of resources committed to the Global Fund, all but 3 percent will be spent by the grantees themselves on program-related activities and commodities. Experience from the first years of activities also indicate that the Global Fund may be expanding countries' absorptive capacity through its public-private partnership and its investment in health infrastructure which increases countries ability to make effective use of commodities such as long-term insecticide impregnated bed nets, antiretroviral, ACT and TB drugs and other products.

5. **Adaptability and flexibility:** The Global Fund has proven that it is able to adapt to a wide range of country contexts through the large diversity of grant implementation models across its portfolio of grants to 130 countries. It has also proven that it is able to change its architecture over time – both in specific cases and organization-wide, once problems are identified or better practices have been accepted.

6. **Stakeholder engagement:** The Global Fund's particular governance structure not only enables donors to directly influence, and shape, the Global Fund's policies and architecture; through Board processes such as the ongoing Strategy Development it provides donors substantial leverage in ensuring that their particular concerns are met. The governance structure of the Global Fund also provides an arena where donors can meet recipient countries as well as other stakeholder groups in a direct dialogue on crucial issues related to the fight against the three diseases and the flow and structure of development finance.

7. **Transparency and Accountability:** Grant disbursement data so far show a strong correlation between performance and flow of resources. Not only do the best-performing grants also receive the largest share of the resources, but grant suspensions, and other corrective action have proven a tight control and ability to act rapidly and decisively when the Global Fund's assets are under threat. Through its high level of transparency, the Global Fund provides easy tracking of resources and in doing so adds an additional level of comfort for donors.

8. **Complementary:** The Global Fund can and should be seen as a complementary element in a donor's overall strategy to invest in the fight against the three diseases. Through its large grant portfolio (in 130 countries, accounting for 20 percent of total global external resources for HIV/AIDS, 66 percent for malaria and 66 percent for TB), the Global Fund can substantially leverage each donor's own contribution to the global fight. It should also be seen as an investment beyond the narrow confine of a battle against three diseases to a larger investment in health sector development and in the overall struggle to reduce poverty and achieve the Millennium Development Goals.

## Part 4: Forecast of Resource Needs

1. An estimate of the resource needs of the Global Fund is provided in a separate paper (GF/FAC6/11). It describes various scenarios projecting the resource needs of the Global Fund for 2006-2007 to be between USD5.3 – USD6.0 billion depending on a set of assumptions.
2. The Resource Mobilization Strategy should also be considered in the context of the strategy discussion being pursued by the Policy & Strategy Committee (PSC). Of particular relevance in this context is the options paper on the "Global Fund Size" (GF/PSC4/04) submitted for the 4<sup>th</sup> meeting of the PSC on March 13-14, 2006. This paper looks at longer term needs of the Global Fund. The PSC will also address the issue of "Optimizing Global Fund resource mobilization" in Batch 2 of its strategic framework, to be discussed at the PSC meeting in July 2006.

## Part 5: Sources of Funding

1. Over the past four years, funding for the Global Fund has come primarily from the official development assistance (ODA) budgets of donor governments, supplemented by a certain level of contributions from the private sector. Altogether, the G8 countries have accounted for 72 percent of funding to date. Other donors have contributed as follows: non-G8 OECD countries, 13 percent; European Commission, 11 percent; non-OECD countries, including South Africa and Nigeria, 0.7 percent; private foundations, 3 percent; and private sector, 0.04 percent.

2. It is important to remember, also, that another component of resource mobilization is non-financial contributions, including pro bono services, product contributions, and in-country co-investments (i.e. operational investments and contributions to grants made alongside Global Fund financing), which the Global Fund currently does not have the necessary policies or processes to facilitate.

3. So far, Global Fund income has increased steadily. If this trend holds then there is reason for optimism. In February 2005, total pledges for 2006-2007 were approximately USD1.1 billion, and by the end of the year had increased by 226 percent to reach USD3.6 billion. Nevertheless, there is a certain amount of skepticism as to whether or not the indicated resource needs level can be achieved primarily through the ODA budgets of major donors, even given that ODA levels are rising in a number of countries.

4. There is increasing evidence that ODA, in general, is on a sharp increase following commitments made at the Monterrey conference on Financing for Development, as well as statements by the European Commission and the European Parliament<sup>1</sup> and at the G8 Summit in 2005. A number of major donor countries have announced clear deadlines for reaching the target ODA budgets of 0.7 per cent of GNP (apart from those who are already meeting that target: Denmark, Norway, Luxembourg, the Netherlands and Sweden):

- a. The French government pledged to increase France's official development assistance (ODA) to 0.5 percent of gross national income (GNI) by 2007 (i.e. USD9 billion) and ultimately to 0.7 percent by 2012.
- b. Ireland announced it will proceed in three stages: ODA will first reach 0.5 percent of GNP in 2007 (EUR773 million / USD936 million), then will reach 0.6 percent of GNP in 2010 (EUR1.2 billion / USD1.45 billion) and 0.7 percent in 2012 (EUR1.5 billion / USD1.8 billion)
- c. The UK's current plans are that ODA will rise to 0.47 percent in 2007-2008, and reach 0.7 percent by 2013. If the proposed International Finance Facility were accepted, the UK could expect to reach the equivalent of 0.7 percent by 2008-2009.
- d. Germany's new government has reaffirmed in its coalition agreement the country's longstanding commitment to the UN target of 0.7 percent ODA/GNI, according to which Germany's objective is to reach 0.51 percent by 2010 and 0.7 percent by 2015.
- e. Spain plans to attain a level of ODA equivalent to 0.5 percent of Spain's GNP by the budget for the 2008 tax year, through the intermediate target of 0.33 percent of GDP in 2006. It can be noted that this increase is to be combined with a net increase of multilateral aid.
- f. Belgium has set up a legal framework to achieve 0.7 percent of gross national income (GNI) by 2010.

5. Some non-European countries have also indicated significant increases in development aid:
- a. Without specifically committing to 0.7 percent, Canada announced it will double (relative to 2001) its international assistance to more than CAD5 billion (USD4.3 billion) per year by 2010.
  - b. Having renewed its commitment to make progress towards the 0.7 percent goal, and further to Prime Minister Junichiro Koizumi's declaration at the G8 Gleneagles Summit in

<sup>1</sup> "Accelerating progress towards attaining the Millennium Development Goals — financing for development and aid effectiveness", Communication from the Commission to the Council and the European Parliament, 12 April 2005 (accepted by the council on 24 May 2005), available at [http://europa.eu.int/comm/development/body/communications/docs/communication\\_133\\_en.pdf#zoom=100](http://europa.eu.int/comm/development/body/communications/docs/communication_133_en.pdf#zoom=100)

July 2005, Japan intends to increase its ODA volume by USD10 billion in aggregate over the next five years, compared to the level of ODA on the basis of 2004 net disbursement.

c. The US is already spending almost USD20 billion for development, a large part of which is dedicated to the fight against HIV/AIDS. The total amount is projected to increase by 22 percent in 2006.

6. Overall, the OECD-DAC Secretariat predicts an increase in ODA of 23 percent in 2006 as compared to 2005 levels<sup>2</sup> (see Annex 1). It also anticipates that the Global Fund could benefit from increased ODA. "The arrival of more single-purpose multilateral funds, such as the Global Fund to Fight AIDS, Tuberculosis and Malaria may increase the multilateral share in the future. Donors are in practice putting a larger share of their country funding through multilateral agencies for specific projects or programs." (OECD DAC Development Co-operation Report, 2005).

7. Even if financial support from OECD donor countries was not to increase significantly in 2006, it is unlikely that the current *mix* of funding would change significantly in the short term. Therefore a strong focus for all resource mobilization activities will continue to be the maximizing of contributions from the governments of OECD countries. This will, however, be complemented by efforts to acquire new contributions from additional sources including:

- a. new donor countries (particularly the oil-rich states)
- b. the private sector
- c. innovative finance mechanisms.

8. All of these current and future efforts will be described in more detail below. For all of these funding avenues, it has to be remembered that key priorities are sustainability and predictability. All program activities supported at the country level require long-term and reliable commitments, in particular (but not exclusively) for life-long treatment support. This means that there is little interest in additional ad-hoc contributions from any of the complementary mechanisms. Rather the focus must remain on active nurturing of a supportive environment in oil-rich countries, in the private sector or among supporters of innovative finance mechanisms which requires a long-term investment from the Global Fund in terms of human resources and network building.

## Part 6: Public Sector

1. As the major source of current funding, it is critical that the Global Fund retain the confidence and attention of the public sector donors. Consequently, much of the coordinated effort of the Secretariat team is focused on maintaining relationships with current donors and on expanding the base of public sector donors to ensure a broader and more sustainable income flow. It is essential that the Global Fund remains engaged at the international political level to ensure that commitments made in the global context of development assistance, and particularly for HIV/AIDS, tuberculosis and malaria, translate into concrete commitments to fund the Global Fund.

2. To achieve this end the public sector strategy aims to inform a wide range of decision-makers in existing and potential donor countries of:

- a. the issue of the three pandemics as a global humanitarian emergency and a threat to human security and economic growth;
- b. the need for significant sustained resources to fight the three diseases;
- c. the value of a reliable and efficient financial mechanism to disburse such funds;
- d. the importance of complementing and enhancing bilateral programs;
- e. the importance of strong and continued international support for such an initiative; and
- f. the effectiveness of the Global Fund model in achieving the intended results.

3. The recently-introduced replenishment mechanism is a cornerstone of the resource mobilization strategy. It provides the opportunity for these activities to take place in a coordinated

<sup>2</sup> "OECD-DAC Secretariat Simulation of DAC Members" Net ODA Volumes in 2006 and 2010, available at <http://www.oecd.org/dataoecd/0/41/35842562.pdf> and in Annex 1 of this document.

way and for the exchange of views by donors on these issues. The midyear replenishment conference in July 2006 will serve as the platform for sharing information and documentation to address the most pertinent questions and concerns of donors and other stakeholders. The process leading up to the replenishment conference will be coordinated by the Vice-Chair of the replenishment Mr. Sven Sandstrom and includes consultations with individual donors, country visits and constant guidance on the preparatory process. The replenishment is intended as a means to ensure sustainability and predictability of funding using an internationally-recognized method of pledging and contributing. It also provides a reassuring platform for new donors as they assess whether to contribute to the Global Fund.

4. Although the replenishment is unusual in that the private sector and civil society are equal partners at the table, the majority of participants are public sector donors representing their respective governments.

#### **Current donor countries**

5. The current donor base has not only provided a dramatic start to the Global Fund but has proven loyal and supportive as the Global Fund has grown. Annex 2 provides the pledges and contributions chart for the last four years, which shows remarkable consistency and growth of funding, as well as very few 'lost' donors. Any resource mobilization strategy must therefore take into account this consistency and build on it. Identifying and acknowledging the existing support in each country which has contributed to the Global Fund in the past and then nurturing and building that support to ensure ongoing increases in future years is the basis of the donor relations approach.

6. Almost all current donor countries are represented on the Board of the Global Fund through various constituencies. It is essential that the Board representatives from donor countries continue to serve as information conduits and facilitators for the Global Fund in their respective countries. This is particularly important in relation to potential increases in ODA and in how the Global Fund is positioned in each country to be the beneficiary of this increased commitment.

7. The Secretariat itself will concentrate its work among current donors on increasing support for the work of the Global Fund amongst political decision-makers, through contacts with both local missions and capitals, including the bilateral development organizations. The Secretariat is addressing specific information needs on issues such as donor harmonization, monitoring and evaluation, additionality, and accountability. It is also providing regular and factual information to key decision-makers in ministries, bilateral agencies and parliaments, as well as to other key partners. These activities will increasingly include legislative contacts as well as political ones, with information sessions and events designed specifically for parliamentarians and addressing key decision-making bodies such as budgetary or development committees. Key partners in this exercise will be the existing AIDS Ambassadors, parliamentary bodies and structures dedicated to AIDS, tuberculosis or malaria and civil society organizations active within each donor capital.

8. The Secretariat will also continue to work closely with international and regional institutions and groupings, including the European bodies, the G8 process and its presidency, to maintain the high level of political support the Global Fund has thus far received. In addition, the United Nations is a key ally in building political support. The Secretary-General, Kofi Annan, chairs the Global Fund's replenishment and in addition to the support of the UN Secretariat, the Global Fund is building relationships with the UNGA President and maintains close ties with leadership in all key agencies.

9. One challenge in maintaining the involvement of the existing donor countries is the limitations of the current governance structure with regard to donor representation. In this regard, the replenishment is helpful in allowing donors access to a Global Fund process. But as the number of substantial donors increase, the pressure to be represented in the formal governing structure will grow. Already one constituency has more donor countries represented than can be

accommodated in the Board room following current rules. This situation may need to be addressed if donor capitals are to feel comfortable with the level of oversight they enjoy over their contribution.

#### **Potential donor countries**

10. Expanding the donor base is a key strategic activity over the next year. Several European and Asian donors remain outside the Global Fund or are contributing at rates far below what could reasonably be expected. The countries with the most potential will be targeted for specific activities including high-level visits from Global Fund representatives, increased press and civil society activity and greater involvement in Global Fund events like the Partnership Forum.

11. A concerted effort has been underway for the last few months to engage countries of the Organization of the Islamic Conference (OIC) which includes the Middle East and North African region, particularly the oil-rich states. Extensive relationship-building activities were undertaken in connection with the Moroccan Board meeting and the strategy for 2006 will be to build on these initial contacts and convert the interest being shown into concrete contributions and sustainable involvement. This is being pursued through high-level contacts and through influencers and strategic alliances as appropriate. Contacts with missions in Geneva have been intensified and several visits are planned with a short-term objective of bringing at least two of these states into the replenishment process in time for the mid-term replenishment review.

12. For this initiative to bear fruit it is imperative to initiate personal contacts since development institutions are less well established and funding decisions in nearly all potential donor countries are made by influential individuals at the highest political level. Hence, well organized field visits become essential. Meetings with the foreign ministry, the health ministry as well as the finance ministry should be included whenever possible since triangulation of influence is an important aspect of creating the momentum to bring donors on board. The Gulf countries are indeed traditionally more engaged in bilateral development aid to OIC countries and less in multilateral mechanisms. Therefore there is a need to convince the Gulf countries and Libya to use the Global Fund as an acceptable channel. These visits will take place as soon as possible, taking into account that the concerned countries are, at present, enjoying considerable budget surpluses due to the high level of oil prices.

13. A more detailed strategy is provided in Annex 3. It includes an outline for developing contacts with both the Gulf Cooperation Council (GCC) and the Organization of the Islamic Conference. Contacts with the emerging private sector in the Arab countries should also not be underestimated in the Global Fund search for additional resources and any opportunity to lobby with representatives of the Arab private sector must be seized whenever possible. This would help raise wider awareness about the Global Fund's mission in the key Arab countries and secure additional resources.

14. Similar outreach activities are planned for some of the Asian countries whose economic growth and global ambitions indicate that significant contributions could be expected; either as first time contributions or increases on current pledges. Malaysia and Brunei are among potential new donors in this region and notions of regional solidarity will also be employed to stimulate this interest.

15. Special efforts will be made with regard to new members of the European Union. Some progress had already been made with these countries in the context of the replenishment but these activities have not yet translated into sizable commitments. Further engagement is required and will be pursued.

#### **Recipient countries**

16. As indicated in Annex 2, several recipient countries are also donors to the Global Fund. These donors must be nurtured and maintained. The political capital inherent in this support complements the size of the contribution. Again, those that are currently contributing must be encouraged to at least sustain their contributions, and there are several additional countries which could be doing more to support the Global Fund in this way. There are several recipient countries whose rapidly developing economies would indicate that they could contribute a good deal more to global development in the light of their growing GDP. Thus, expectations for these countries to enter into more substantial ODA commitments will be high. The Global Fund must ensure it is well placed to benefit from any ODA increase in these quarters. High-level political engagement and successful implementation of grants in these countries are the key drivers to sustaining and increasing these contributions.

#### **Innovative financial mechanisms**

17. As noted earlier, the vast majority of government contributions to the Global Fund come from official development assistance, and ODA is expected to remain the major source of financing of the Global Fund in the near and medium-term future. However, more recently an increasing number of donors came to recognize that traditional ODA may not be sufficient to meet the financial needs to advance the MDGs and to address the most urgent development needs, especially in Africa including universal access. Consequently, the so-called "innovative financial mechanisms" have been developed with the aim to raise significant and additional resources for development.

18. The engagement of the Fund in the debate about innovative financing has grown substantially since 2004. In 2005-2006, innovative financing mechanisms have enjoyed wide high-level attention at all levels of government and in civil society, culminating in the Ministerial Conference on Innovative Financing for Development held in Paris 28 February to 1 March, 2006. Since Paris, innovative financing mechanisms are firmly placed on the international agenda. The successful implementation of some of these innovative financing instruments would help donors to make progress on past political commitments, above all the commitment to increase ODA to 0.7 per cent of GDP and the commitment to implement the UN Millennium Development Goals (MDGs).

19. The Fund has focused on three initiatives and is working with partners to advance them to full implementation. Consequently, for the Global Fund resource mobilization strategy in 2006-2007, the most important instruments are:

- a. the International Finance Facility (IFF);
- b. the airline solidarity contribution (ASC) and the International Drug Purchase Facility (IDPF);
- c. the Global Fund Debt Conversion (GFDC).

20. The Global Fund's overriding strategic objective with respect to the three innovative financing mechanisms is to build relationships with donors and supporters of innovative financing in such a manner so that these sources of income become available for investments in the fight against AIDS, tuberculosis and malaria. This objective is being achieved through an on-going constructive dialogue with governments both in donor and in recipient countries, with the civil society and the health and development communities. As a result of efforts on innovative financing, the Fund should have the first mover advantage with respect to new mechanisms, new ideas and new *modi operandi* and establish itself as a reliable partner for donors and recipients as early on as possible.

21. The Fund has assumed two somewhat inter-related roles in the debate about innovative financing mechanisms: one of a technical expert and one of a public advocate

22. The role of the technical expert includes providing information on the financial needs to fight the three diseases, on results achieved so far and on additional results expected from innovative

financing both in terms of the health impact and in terms of the absorptive capacity of health systems.

23. In order to advance the international discussion on innovative financing and in order to position the Fund correctly within that debate to the beneficiary of innovative financing, the Secretariat has embarked on a set of concrete activities. These include:

- o Series of issue papers on innovative financing dealing with various aspects of innovative financing such as potential health impacts, transaction costs, benefits and challenges to health system absorptive capacity;
- o Workshops and expert meetings involving participants from government and civil society from the north and the south;
- o Formal and informal consultations with all the important actors in this field and well prepared participation in international conferences (Paris Conference, UNGASS, Toronto AIDS Conference etc.).

24. What follows in the next paragraphs is a more detailed description of each of the innovative financing instruments, its main features and the potential for income for the fight against AIDS, tuberculosis and malaria.

#### **The International Finance Facility (IFF)**

25. With respect to the IFF, the Global Fund has authored a discussion paper on the prospects of the IFF for the fight against AIDS, tuberculosis and malaria<sup>3</sup> and held a seminar on the IFF with senior government representatives from the United Kingdom, other donor and recipient countries and the NGO community.

26. The Fund is pleased to note that the IFF for Immunization (IFFIm) has been successfully established as a pilot project for the larger IFF and is expected to launch with pledges currently standing at USD4 billion. At the Paris Conference, France announced that it would participate in the main IFF with a contribution of USD100 million a year over 20 years to help capitalize the IFF while the United Kingdom sign up to the airline solidarity contribution. These are concrete steps towards the full implementation of the main IFF and towards a coordinated policy approach in innovative financing. The Fund is looking forward to continued collaboration with the United Kingdom and others on this financing instrument.

27. At this stage, it is too early to make a credible estimate of the size of the full-fledged IFF or its inception timing. However, the expectations - partly created by the statements made by the proponents of the IFF and partly deducted from the fact that immunization as a single issue has successfully attracted an investment of approximately USD4 billion over a 10 year period - run into several billion dollars per year with at the minimum 1 billion devoted to the fight against the three most deadly - yet preventable - diseases in the world.

28. One of the characteristics associated with innovative financing and with the IFF in particular is to be the availability of capital on a predictable long-term basis, thus reducing volatility in health programs stemming from fluctuations in ODA levels. Predictable levels of capital over the long-term would yield several important benefits: they would ensure that patients under treatment have a higher degree of certainty about treatment. Moreover, they would reduce the risk of drug resistance and increase the confidence of the health system to switch to more costly but more effective treatments. The Global Fund documented these and other issues in its paper "Innovative Financing Series. Issue Paper No. 1 "Financing the Fight Against AIDS, Tuberculosis and Malaria: Prospects of the IFF".

<sup>3</sup> The Global Fund to Fight AIDS, Tuberculosis and Malaria. *Financing the Fight Against AIDS, Tuberculosis and Malaria: Prospects of the International Finance Facility (IFF)*. Geneva, 1 July, 2005.

## Airline Solidarity Contribution (ASC)

29. With respect to the ASC, the Secretariat has been involved closely in discussions with the Group of Six under the leadership of France about the financial needs and the potential impact of an airline levy on controlling the three diseases. It is expected that the income from the solidarity contribution would be pooled together in and channeled through an "International Drug Purchase Facility" (IDPF). The IDPF has two objectives. First, it would provide additional finance for health care products (ARVs, test kits, anti-malaria pills). Second, it would use its purchasing power to negotiate better deals for recipients of those products and perhaps set maximum price ceilings.

30. This would mean that Global Fund countries would benefit from this capital to cover their procurement needs, which would be part and parcel of an overall health programme approved and financed by the Global Fund. Consequently, the core resources available for rounds would de facto increase as a result of this additional money earmarked for health products by approximately 40% assuming that all health care products could be purchased through the IDPF. Several important details concerning the IDPF still remain to be resolved, especially the interaction between the IDPF and national procurement systems and the IDPF and Global Fund programming. On this, the Fund is looking forward to a continued engagement with France and others.

31. In terms of the resources expected from the airline solidarity contribution, estimates provided by the two countries who are pressing ahead with the introduction of the levy in mid-2006 range from USD4 million per year for a country like Chile to USD350 million per year for France. The total amounts could reach many billions if more G-8 countries as well as large countries such as Brazil, China, India, Nigeria and South Africa participated. Currently, post the Paris Conference, there are thirteen countries participating in the implementation of the ASC and an income of about USD400 million per year can be expected from this initial group of countries. The countries with the intention to implement the ASC are: Brazil, Chile, Congo, Cyprus, Ivory Coast, France, Jordan, Luxemburg, Madagascar, Mauritius, Nicaragua and Norway. Germany in participating in the leading group of countries working on the ASC (i.e. countries that are considering the implementation) but she has not yet made a decision. Recently, however, a poll conducted by the reputed agency Infratest was conducted in Germany and found that a majority of Germans were in favor of air airline tax if the proceeds went to fight diseases in poor countries.

32. The immediate task for the future is to work with the leading group and the proponents of the IDPF to agree on a *modus operandi* between the Global Fund and the IDPF.

## The Global Fund Debt Conversion (GFDC)

33. The Global Fund Debt Conversion (GFDC) is an innovative financing instrument developed as a result of a direct collaboration between the civil society and the Global Fund secretariat. The details of the model have been described in the Fund's Innovative Financing Issue Paper No. 2 "Financing the Fight Against AIDS, Tuberculosis and Malaria: Global Fund Debt Conversion (GFDC)".<sup>4</sup> All documents and more additional information can be found at the website dedicated to innovative financing instruments at: [http://www.theglobalfund.org/en/funds\\_raised/innovative\\_financing/](http://www.theglobalfund.org/en/funds_raised/innovative_financing/).

34. Debt conversion is the exchange of debt - typically at a substantial discount - for equity, or counterpart domestic currency funds to be used to finance a particular project or policy. The GFDC model does not require the Global Fund to purchase any debt. The Fund simply acts as a broker between creditors and debtors.

<sup>4</sup> The Global Fund to Fight AIDS, Tuberculosis and Malaria. *Financing the Fight Against AIDS, Tuberculosis and Malaria: Global Fund Debt Conversion (GFDC)*. Geneva, 15 October, 2005.

35. The development of a debt conversion concept by the Secretariat - in collaboration with the NGO community - has resulted in a GFDC pilot project, which is being generously supported by the Melinda and Bill Gates Foundation. The objective of this project is to fine-tune the initial GFDC concept and to pilot a debt write-off for health in at least one country.

36. The immediate task is to start-up the GFDC project formally and to enlist one or several leaders for the GFDC among the Paris Club members. It is expected that the first deal would be achieved in 2007 and would be worth approximately USD180 million. If this first deal is successful the scale up target would include at least one additional deal per year starting in 2007. We expect that over the next three years from 2007, four debt conversions worth approximately USD600 million could be completed.

## Global South

37. The success of the Global Fund's resource mobilization strategy depends very much on the developing countries that were the reason for the Fund's creation in the first place. Given that the question of mobilizing resources for the Global Fund cannot be separated from the performance of grants on the ground, it is in the mutual interest of the Global Fund and the South to deepen their partnership to ensure this success. Effective implementation at the country level often follows from a positive and engaged political leadership and the Fund needs to build on the technical relationships already established in these countries and compliment that with strong political-level partnerships. Leaders who can see the impact the Global Fund is having in their countries, and who themselves derive political capital from that success, are more likely to be strong and effective advocates for the Global Fund at the international level. The Secretariat is focusing on three main areas to build the trust and confidence necessary to ensure strong Southern advocacy:

- ensuring the Global Fund is a positive partner in-country, operating with minimum burden to the recipients and responding rapidly and effectively at all times; ensuring positive messaging and information sharing at the national level;
- building strong relationships with key southern leaders so that their concerns can be heard and addressed directly at a global level and that they have ownership of the Global Fund in a meaningful way;
- forming strategic alliances with regional, sub-regional and international groupings (African Union, NEPAD, ACP, CARICOM, ASEAN, SADC etc) to engage with their concerns and provide information and support as appropriate.

38. Through this engagement it is hoped that the Global Fund can tap the full potential of developing countries as strategic allies in resource mobilization and program implementation. In relation to the allocation of any increased ODA, and in channeling funds that may be raised through the innovative financing mechanisms, the voice and support of the South will help determine not just the scale of resources that will be unlocked from these proposed mechanisms, but even more important for the Global Fund, the development priorities to which they are actually channeled.

## Part 7: Private Sector

1. Since the Global Fund's inception, the private sector has played an important role in supporting its mission and work through several types of contributions:

- engagement on the Board via the private sector delegation;
- direct cash contributions;
- support for various Secretariat activities by providing pro bono services;
- indirect product contributions and discounted pricing offers on health products;
- co-investments and operational contributions at the country level.

2. Excluding the substantial indirect contributions and co-investments, over USD20 million in cash and non-cash resources have been mobilized from the private sector to date. While this amount is relatively small compared to the public sector, it is significant in relation to the limited

resources invested to mobilize private contributions. It also points to the tremendous potential of fully engaging the private sector, which could contribute 5 to 10% of the Global Fund's resource needs through cash and non-cash contributions if pursued as a long term opportunity (up to 10 years to realize the full potential), while investing the necessary resources and adopting appropriately supportive policies.

3. However, realizing this full potential will require that several issues related to the initial architecture of the Global Fund be addressed:

- a. Resources required to mobilize private cash contributions: Private sector fundraising experience suggests that one full time staff person is required for every 1-2 million dollars raised in major corporate gifts<sup>5</sup> or marketing/fundraising investments of 10-20 percent of funds raised through mass campaigns<sup>6</sup>. However, Secretariat and partner resources dedicated to mobilizing private cash contributions have been severely under-invested.
- b. Policies and structures required to mobilize non-cash contributions: while previous studies and reports<sup>7</sup> have highlighted the significant potential for mobilizing non-cash contributions, the Global Fund does not have an accepted process/structure for valuing and recognizing pro bono services, accepting direct product contributions, or promoting co-investments at the country level.

4. These issues had resulted in a negative cycle which, until recently, limited the scale and scope of private sector contributions (Figure 1).

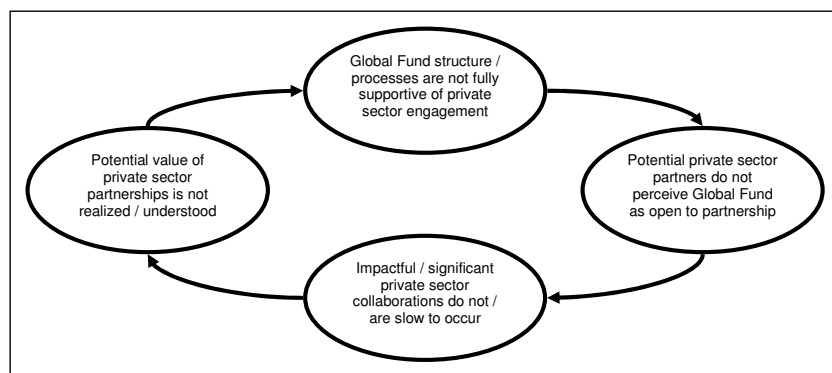


Figure 1: The negative cycle limiting private sector contributions

5. In order to break this cycle, the Secretariat, with the support of the Global Business Coalition (GBC) and the Private Sector Delegation (PSD), has been executing a focused strategy to test and build successful partnership models which can serve as the basis for pursuing the broader engagement of the private sector in 2006-2007 (Figure 2), and beyond.

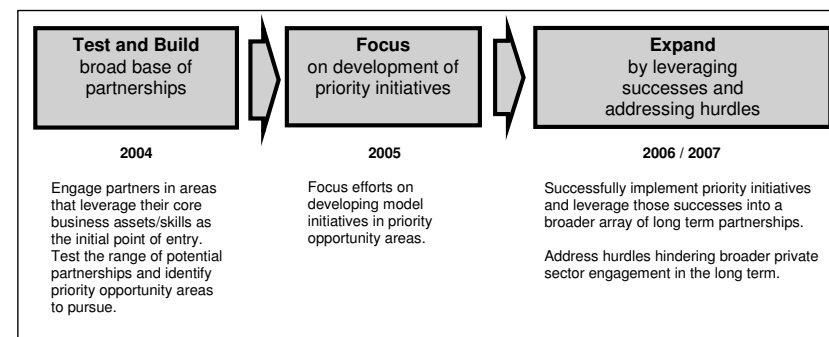


Figure 2: Private Sector Engagement Strategy

6. Looking forward to 2006-2007, and beyond, the focus will be on successfully implementing priority initiatives in three key areas<sup>8</sup> for mobilizing a sustainable flow of resources from the private sector:

- a. cash contributions;
- b. pro bono services and product contributions;
- c. in-country co-investments and operational contributions (which, while not directly impacting revenues or expenses, play a critical role in increasing the scale and effectiveness of Global Fund-financed grants).

7. It is important to note that all three opportunity areas are inseparably linked. The credibility of the Global Fund amongst the private sector depends on its ability to be receptive to and engage corporate support across the full range of partnership areas which enable businesses to contribute in a manner that is most appropriate to their particular business.

8. It is also important to note that while cash contributions from the private sector will be modest relative to the Global Fund's overall needs, one of the vehicles for mobilizing such contributions, mass consumer marketing campaigns, can have a tremendous impact on enabling significant government contributions by building large bases of general public support in key donor countries.

9. The priority initiatives currently being pursued will be expected to deliver concrete results in 2006-2007. However, the focus will not be on near term targets, but rather on building partnership models which will provide the basis for driving a sustainable flow of resources from the private sector with the long term objective of meeting 5 to 10% of the Global Funds overall resource needs in the next 10 years.

#### Cash Contributions

10. Cash contributions are being mobilized through two key channels: mass marketing campaigns which aim to mobilize large numbers of small contributions from consumers and employees; and major gift campaigns which aim to drive large contributions from select corporations and Foundations.

11. The efforts in 2005, have focused on developing and launching a major consumer marketing campaign, RED, which brings together several leading global consumer brands including American Express, Armani, Converse (Nike) and Gap, to raise funds for the Global Fund. This cause-related marketing campaign, which consists of the partner companies launching a series of products, is expected to raise several million dollars in its initial phase in 2006-2007 and rapidly

<sup>5</sup> Typically consisting of a relatively few large direct contributions from corporations or wealthy individuals

<sup>6</sup> Typically consisting of large numbers of small contributions from employees and consumers

<sup>7</sup> The Corporate Sector Resource Mobilization Paper presented to the Board by the Private Sector Delegation in 2003, the Independent Assessment of the Global Fund presented by Dr. Keith Bezanson and the Planning Guide for Private Sector Resource Mobilization presented by the Private Sector Delegation at the Replenishment Conferences in 2005.

<sup>8</sup> The key priorities as identified by the Private Sector Partnerships Strategy developed in 2004 and the Planning Guide for the Private Sector presented by the Private Sector Delegation at the replenishment conference in September 2005

grow its contributions in the years ahead. The initiative was unveiled on January 26th at the World Economic Forum's annual meeting in Davos, and the first product launches from American Express and Gap have already taken place.

12. This initiative provides a model for generating a sustainable, long-term flow of private sector funds for the Global Fund by:

- a. building on core partner skills and resources, thus enabling each partner to leverage what they do best;
- b. being viewed as a "win-win" business venture by partners, thus ensuring its sustainability;
- c. being driven by corporate partners, each making substantial investments to ensure the success of the initiative, thus limiting the resources required from the Secretariat and the PSD.

13. In addition to this cause-related marketing campaign, a second mass fundraising campaign targeting employees as well as consumers is being developed for launch in the second half of 2006. The campaign will promote a series of AIDS fundraising stamps to benefit the Global Fund and is being modeled after the United States' breast cancer stamp, which has raised over USD35 million to date.

14. Several additional mass campaigns, as well as a major gift campaign targeting corporate donors are being evaluated by the Secretariat and the PSD, all of which will be supported by an additional fundraising capacity currently being set up by the PSD.

15. In addition to consumers, employees and corporations, Foundations also represent a potential source of additional funding. The Secretariat works closely with the Foundations delegation to maintain relationships and is hoping to increase revenue from this sector in the future.

16. It is important to note that the fundraising campaigns planned have been carefully designed to be complimentary to existing fundraising efforts, thus following the Global Fund's principal of additionality - e.g. the "contribution" from the cause-related-marketing campaign and the AIDS stamps will be generated by the sale of products and thus not detract from private charitable giving. In fact, the increased awareness among businesses and consumers resulting from these campaigns will likely lead to higher levels of overall giving, benefiting all partners working on similar issues.

17. The initiatives currently being pursued will begin to yield definitive results in 2006-2007 and have tremendous potential for growth in the years ahead. However, their long-term success and growth will depend on the Global Fund's willingness to address several key factors which currently hinder the mobilization of cash contributions from the private sector:

- a. investment of necessary resources: as previously mentioned, Private sector fundraising experience suggests that one full time staff person is required for every 1-2 million dollars raised in major corporate gifts<sup>9</sup> or marketing/fundraising investments of 10-20 percent of funds raised through mass campaigns. **Implication:** if the Global Fund is to successfully pursue cash contributions, an investment of approximately USD10 million (or an equivalent team of 50 staff with additional operating expenses) will be required for every USD100 million to be raised from the private sector.
- b. increased awareness of the Global Fund among corporate decision makers: much progress has been made in 2004 and 2005 through the launches of the Publicis and VH1 advertising campaigns in Europe and the US. The next phases of these campaigns will be more focused on reaching targeted audiences, and will shift away from general advertising. In line with this approach, much more outreach will need to occur targeting corporate decision makers. **Implication:** while the GBC and the PSD can take the lead on outreach to key decision makers, the vocal support of key figureheads from government and civil society will be required for such outreach to yield significant commitments.

<sup>9</sup> Typically consisting of a relatively few large direct contributions from corporations or wealthy individuals

- c. increased visibility and recognition of private sector donors – even in the long term, contributions from private donors will be relatively small vis-à-vis government donors. However, the Global Fund and its key stakeholders must begin to more visibly recognize private donors for their contributions if they are to have the appropriate incentives to make such contributions. **Implication:** public recognition from the highest levels of government will be required to successfully mobilize significant on going corporate contributions.
- d. increased specificity of "targeting" private contributions – after consultation with the former Resource Mobilization and Communications Committee in early 2005, the Secretariat enabled private donors to specify the use of their contributions at a gross level (e.g. by disease and continent). While this is no more than a matter of the appropriate accounting by the Secretariat and does not affect the manner in which the Global Fund conducts its operations in any way, it was a key requirement in securing the cause-related marketing initiative mentioned above. Numerous private donors have made clear that further specificity will be essential (e.g. by grant) if the broader pursuit of private sector cash contributions is to be successful. **Implication:** specificity at the grant level will be required in order to further stimulate corporate contributions.

Should these factors be effectively addressed, particularly in terms of investing the necessary resources, the funding stream from the private sector can be expected to grow steadily in the coming years (see Part 7).

#### Pro bono services and product contributions

18. Pro bono services and product contributions can reduce operating and grant expenses, thus increasing the amount of available resources. In 2005, USD12 million of pro bono services were contributed to support Secretariat activities (up from USD7 million in 2004), indicating the future potential for mobilizing this type of support. The more significant opportunity could lie in mobilizing service and product contributions in support of Global Fund grants, which have been estimated to meet 16-32% of the Global Fund's commitments<sup>10</sup>. Despite a series of discussions in various Board Committees and at several Board meetings<sup>11</sup>, the Global Fund does not have a policy or process for accepting, valuing, or recognizing this type of support. The PSD will be engaging in a consultative process with other key stakeholders to further explore viable options for mobilizing service and product contributions, and expects to present its findings and proposal at the end of 2006.

#### Co-investments and operational contributions

19. In-country co-investments and operational contributions, while not directly impacting Global Fund revenues or expenses, play a critical role in increasing the scale and effectiveness of Global Fund-financed grants. A wide range of such contributions are already occurring organically in various country situations, pointing to the significant value of private sector engagement in grant implementation. The Secretariat and the PSD are working towards expanding this base of contributions by actively developing the most leveraged co-investment partnerships and promoting more supportive in-country environments. These operational partnerships play a critical role in giving the Global Fund credibility as an effective public-private partnership. This credibility is essential in order to mobilize all the various types of potential contributions from the private sector.

#### Part 8: Projected Increased Income by Source

1. In order for the Global Fund to achieve maximum benefit from the diverse sources explained above, a combined effort will be required for all initiatives. In order to direct these efforts

<sup>10</sup> The Corporate Sector Resource Mobilization Paper presented to the Board by the Private Sector Delegation in 2003 estimated that 16-32% of Round 2 commitments could be covered by in-kind donations.

<sup>11</sup> The most recent discussion on in-kind donations took place at the 8<sup>th</sup> Board meeting, where the deliberations concluded without a decision.



appropriately some approximation must be made of the likely benefits to be obtained from each area of effort. The estimates outlined below are therefore based on a range of factors and assumptions and should be viewed as strictly indicative. However, for all estimates the following prerequisites are necessary:

- The Global Fund successfully positions itself in the global development framework as the most effective and efficient multilateral channel for scaling up funding for AIDS, tuberculosis and malaria
- The Global Fund retains and increases the confidence of its current donors
- The Global Fund continues to produce results in line with targets, and begins to show impact
- Public opinion of the Global Fund is increased and donors get recognition for their investments
- The strategic direction of the Global Fund reassures investors that the future of their investment is secure.

2. **Public Sector estimates** are based on the assumption that developed country economies will remain stable (adjusted for current growth figures) and that ODA will be increased as projected by OECD/DAC. All figures used in developing the estimates are sourced from OECD/DAC analysis of ODA trends (for those countries participating in OECD/DAC). When ODA data was unavailable, IMF data on GDP trends was used as an indicator using current contribution levels as a baseline. For the European Commission the Financial Framework for 2007-2013 was used as a guide. The OIC estimates are based on contextual information and soft data obtained as part of the current campaign. Not included in these estimates are any projections for the emerging economies which should in the near future begin contributing percentages of GNP to international development. However, no confident prediction can be made that this will indeed occur, nor that it would be directed to the Global Fund.

3. **Innovative Financing** projections are based on best estimates of likely total income and the likelihood of the Global Fund being a major beneficiary. Variables include timeframes and proportion to be directed to the Global Fund. **Private Sector** estimates are based on current initiatives (the RED campaign) and public commitments from the private sector to ensure increased revenue for the Global Fund.

4. The first projection (Table 1) assumes the status quo with regard to funding. It projects figures based on current contributions with minimum adjustment for increased ODA and no assumption of increased share for the Global Fund. New income from new public sector donors, innovative financing initiatives and from the private sector is estimated very conservatively with minimum expectations being fulfilled. The private sector expectations in particular, are based on current resource constraints, limited to cash contributions, and take into consideration the longer time horizon (i.e. 10+ years) required for yielding full results. This projection barely allows the maintenance of current Global Fund investments and allows no possibility for new programs or scaling up of existing activities. Funding at this level would not meet expectations as expressed in the Global Fund's scope and purpose.

**Table 1 – The current funding pattern (GF share varies widely up to 3% of donors' ODA)**

Donors	Year					
	2004	2006	2007	2008	2009	2010
G8 Gov'ts	1,274	1,500	1,445	1,412	1,515	1,654
Other Gov't Donors	204	315	303	325	342	361
<i>Of which, OIC Countries</i>	4	22	26	30	30	30
<b>Total Gov't Donors</b>	<b>1,478</b>	<b>1,815</b>	<b>1,748</b>	<b>1,737</b>	<b>1,857</b>	<b>2,015</b>
Private Sector	-	1	4	10	25	50
Innovative Financing	-	-	530	1,050	1,200	1,200
<b>Total Other Donors</b>	<b>0</b>	<b>1</b>	<b>534</b>	<b>1,060</b>	<b>1,225</b>	<b>1,250</b>

<b>Total</b>	<b>1,478</b>	<b>1,816</b>	<b>2,282</b>	<b>2,797</b>	<b>3,082</b>	<b>3,265</b>
--------------	--------------	--------------	--------------	--------------	--------------	--------------

5. The second projection (Table 2) takes as a starting point the fact that prospects for most OECD countries is for an ODA increase and several emerging economies are experiencing high rates of growth. If the Global Fund can continue to prove that it is a highly effective channel for ODA then expectations on higher proportions of new ODA being directed to the Fund are realistic. Table 2 therefore assumes an increased share of ODA directed to the Fund from all public donors. These increases are differentiated between 1 – 3% of major donors' ODA depending on their current contribution level and factoring in public commitments for timetables to increase development assistance. It uses conservative but confident assessments of increased income from non-OECD donors as well as the new financing mechanisms. It also assumes moderately increased investments in mobilizing private sector funds, which in turn will result in a corresponding increase in funds raised – as with the first projection, these figures are limited to medium term cash contributions.

6. Table 2 clearly shows how crucial it is that the Global Fund continues to receive a generous share of public sector donors' ODA. Even with increased income from other sources, true scale-up and predictable financing must be assured for the foreseeable future primarily by the public sector. The projection also shows that the Global Fund can begin to sustain an increasing level of investment if international donors meet their stated commitments and assuming both new donors and new mechanisms emerge to add to the revenue stream.

**Table 2 - Higher, differentiated commitment (GF share increases at between 1.0% to 3% of major donors' ODA)**

Donors	Year					
	2004	2006	2007	2008	2009	2010
G8 Gov'ts	1,274	2,429	2,565	2,680	2,850	3,083
Other Gov't Donors	204	593	680	725	747	807
<i>Of which, OIC Countries</i>	4	30	40	45	45	45
<b>Total Gov't Donors</b>	<b>1,478</b>	<b>3,022</b>	<b>3,245</b>	<b>3,405</b>	<b>3,597</b>	<b>3,890</b>
Private Sector	-	3	12	33	65	115
Innovative Financing	-	-	530	1,550	1,700	1,700
<b>Total Other Donors</b>	<b>0</b>	<b>3</b>	<b>542</b>	<b>1,583</b>	<b>1,765</b>	<b>1,815</b>
<b>Total</b>	<b>1,478</b>	<b>3,025</b>	<b>3,787</b>	<b>4,988</b>	<b>5,362</b>	<b>5,705</b>

7. The third projection (Table 3) assumes a generous increase of the Global Fund's share of international assistance at 3% of projected ODA levels. Some donors are already contributing at the level of 3% of ODA so this is not unprecedented, however it assumes a level of collective confidence in the Global Fund that may not be achievable in the short term but is certainly something to aim for as the Fund matures. The projections for innovative financing and for the private sector are optimistic but not unrealistic. The projections for the private sector, limited to medium term cash contributions, are achievable, but will require substantial additional resource investments. This projection, much more than the others, relies on the Global Fund and its supporters and stakeholders doing 'everything right' in terms of positioning the Fund, ensuring results, managing public image and profile, and proving to donors that the Fund is the answer to the increasing challenge to halt the spread of the three most deadly diseases.

**Table 3 - Higher, generalized commitment (GF share increases to 3% of all major donors' ODA)**

Donors	Year					
	2004	2006	2007	2008	2009	2010

G8 Gov'ts	1,274	2,522	2,668	2,793	2,974	3,238
Other Gov't Donors	204	675	840	899	964	1,019
<i>Of which, OIC Countries</i>	4	61	71	71	71	71
<b>Total Gov't Donors</b>	<b>1,478</b>	<b>3,197</b>	<b>3,508</b>	<b>3,692</b>	<b>3,938</b>	<b>4,257</b>
Private Sector	-	5	21	55	105	175
Innovative Financing	-	-	530	1,550	1,700	1,700
<b>Total Other Donors</b>	<b>0</b>	<b>5</b>	<b>551</b>	<b>1,605</b>	<b>1,805</b>	<b>1,875</b>
<b>Total</b>	<b>1,478</b>	<b>3,202</b>	<b>4,059</b>	<b>5,297</b>	<b>5,743</b>	<b>6,132</b>

8. As indicated at several points in this strategy, the projections of the scale of future resources and the reliability of the sources of that income rely crucially on the credibility of, and confidence in, the Global Fund. The following sections outline areas where the Global Fund's credibility can be enhanced (through partnership) and how public confidence can be built (through communications).

### Part 9: Civil Society

1. Working with civil society on resource mobilization will have two strategic components:
  - a. improving Global Fund processes and mechanisms – ensuring civil society has an effective role and voice in identifying needs, proposal development, ensuring sufficient financial and technical support is given for program implementation and in monitoring and accurate reporting of results;
  - b. supporting and facilitating coordinated national and global activities and advocacy. This will include supporting the mobilization of southern advocates, working closely with national and global networks, including the World AIDS Campaign (WAC), positioning the Global Fund as pivotal to civil society advocacy plans, linking with Friends of the Fund (FoF) organizations and drawing in tuberculosis and malaria advocates and constituencies.
  - c. For both components the inclusion of communities of people living with and/or affected by the three diseases will be crucial.
2. Civil society involvement is key to obtaining the kind of results which will lead to increased and continued investment in the Global Fund. It is a core function of the work of the civil society team to facilitate more effective civil society engagement in all Global Fund processes while also working closely with the portfolio clusters, Board committees and delegations. The Partnership Forum will be a priority as a significant contributory factor in this process.
3. Supporting national and global civil society activities and advocacy will involve working closely with the WAC at a global level and other international and national networks to ensure national campaigns have the necessary information and data to inform their campaigns. Targeted support will also be a feature, with significant consideration given to key events and opportunities in the 2006 calendar.
4. The Global Fund is critically important for the response to TB and malaria and it will continue to develop strategic civil society partnerships with both these constituencies and broker partnerships between the three disease constituencies around Global Fund resource mobilization. Developing partnerships with networks, NGOs and individuals in the South is essential and identifying opportunities to support and facilitate southern advocacy around resource mobilization will be a priority.
5. While civil society as a whole has shown itself to be a crucial and effective partner in the work to increase support and resources, it would benefit from a broader and inclusive relationship with the Global Fund. With important work around innovative financing and key meetings throughout

2006 it is vital that the Global Fund have a strategic and mutually beneficial, as well as effective, relationship with civil society.

6. The NGO Board delegations will provide important entry points for key partnership opportunities, to facilitate meetings and reinforce messages. The civil society team and senior Secretariat personnel will visit key constituencies, ensuring there is consistency of messaging, stimulating appropriate advocacy direction and maintaining an overview to contribute to and inform the broader resource mobilization strategy. The Global Fund provides unique opportunities for partnerships with civil society that will be maximized throughout 2006.

### Friends of the Fund (FoF)

7. Responding in a creative way to the limitations in human resource capacity and regular presence in key donor countries the Global Fund Secretariat has been assisted by a limited number of independent non-governmental organizations, called Friends of the Fund (FoF). The first three of these organizations have been established in the US, Japan, and France/Europe. There are currently advanced negotiations for the establishment of two additional organizations for Australia/Pacific and India/South Asia. As a medium-term perspective, a Friends organization in Africa based in a country which is both a recipient and a donor would be desirable.

8. The main objectives of FoF include: raising awareness of the Global Fund among civil society and key partners; advocating for increased resources with governments and private sector; and strengthening relations with private sector and local media.

### Part 10 : Communications

1. A communications plan that ensures that correct and sufficient knowledge about the Global Fund's activities and results is a central element of the resource mobilization effort.
2. The overarching priority of communications in terms of resource mobilization is to emphasize and amplify the Global Fund's "comparative advantages" as outlined earlier in this document. In line with the Global Fund ethos of sober, factual and partner-inclusive information, the communication plan focuses on providing accurate and timely information about Global Fund work and results, while addressing concerns rapidly and factually. This includes:
  - a. creating confidence in the ability of the Global Fund to effectively manage a rapidly growing portfolio and an increasing share of global expenditures for AIDS, TB and malaria;
  - b. showing donors and other stakeholders how the Global Fund leverages their own efforts in achieving their objectives; and
  - c. facilitating voices from recipient countries in support of the Global Fund and its work.
3. The communications strategy comprises four key areas of activity to promote the Global Fund as an effective, flexible and complementary funding mechanism to fight the three diseases: media outreach and public relations; events; content production; and stakeholder communications.
4. **Media outreach and public relations:** This aspect of the communications strategy will increase proactive and targeted media coverage in order to reach the decision-makers, opinion-shapers and general publics of key donor and recipient countries. The Secretariat will work with its partners and directly with the media to facilitate high-quality coverage of Global Fund success stories and areas of interest to donors. Aside from press releases and conferences as needed, activities will include media trips to funded programs organized for journalists from priority donor countries and regional press in order to foreground successful programs and show the extent to which Global Fund-financed programs are complementary to and harmonized with those of partners. Support for the Product RED campaign will occur largely through the media.
5. **Events:** The Secretariat will strive to maintain a high profile for the Global Fund at all major, relevant forums (such as the regional HIV/AIDS conference in Moscow, the UN High-level

Meeting on HIV/AIDS in New York, the Partnership Forum in Durban, the G8 Summit in the Russian Federation and the International HIV/AIDS Conference in Toronto). Activities will include, as appropriate, press conferences, publications, information booths, coordination of skills-building workshops for participants, site visits to funded programs, targeted briefing sessions and invitations to key events for the media, and web coverage to expand access to these events (through web casting, audio transmission, etc.). Other opportunities to create visibility for and understanding of the Global Fund and its mission will occur with high-level visits to donor capitals, when activities such as university lectures, media events and civil society briefings can be coordinated.

6. **Content production:** The Secretariat will create a range of communications products that convey qualitatively and quantitatively that donor resources are being effectively channeled to programs and are having an impact. Key publications in 2006 will include the 2005 Annual Report, region-specific documents to support key conferences and meetings, an annual progress report that provides in-depth analysis of portfolio results and presentation of early impact data to support the replenishment process. Other communications products will include documentation of funded programs through the continued build-up of the photo library, assisting in the production of television programming and a web-based interactive project, and – depending on the receipt of a Gates Foundation grant to support communications – two further television productions and an in-depth photography project.

7. **Stakeholder communications:** Timely information will be tailored to the needs of target audiences such as decision-makers, friends and allies, donors, technical partners, civil society and recipients, on a scheduled or ad hoc basis, as appropriate. These communications will include a bimonthly e-newsletter, emailed news alerts, placed opinion pieces and monthly grant portfolio and resource mobilization updates in six languages. A key stakeholder database has been developed and will be expanded and improved throughout the year. The Secretariat will continue to rely on the Global Fund website as a tool for comprehensive, up-to-date and unusually transparent information on the grant portfolio.

8. The Secretariat will increase the volume of active communications (bringing messages to the audiences rather than expecting them to seek information for themselves) and ensure that communications across the Secretariat stick to a set of core messages. Tasks will be distributed and coordinated between the Global Fund Secretariat, the three "Friends" organizations and the Global Fund's PR service providers. Information will also be cascaded through allies and partners. In addition, the Global Fund will invest in building knowledge and support for the Global Fund in markets where the RED campaign will be rolled out.

## **Part 11: Roles and Responsibilities of the Secretariat and the Board**

### **Responsibilities of the Board**

1. Ensuring success for the resource mobilization strategy will require the input and active participation of Board members. The Board is responsible for the overall governance of the Fund and therefore for the strategic direction as well as the financial accountability and oversight. Financial accountability applies not just to ensuring that the Global Fund can meet its commitments and ensuring appropriate fiscal discipline and probity, but also ensuring that sufficient funds are raised to meet the needs of the stakeholders who rely on the organization to fund essential programs in their countries.

2. The Board must take a proactive and energetic approach to ensuring that the required funds are mobilized as the future of the Global Fund depends on it. Therefore the responsibilities of the Board can be defined as follows:

- a. acting as advocates and spokespeople for the Fund to give credibility to the Fund's activities and to provide informed opinion on Fund progress;

- b. regularly providing information to the Secretariat on events, people or political decisions which would have an impact on the Global Fund's resource mobilization efforts. Examples could include budget cycles, key dates in governmental decision-making processes and changes in the political context/climate;
- c. provide assistance in the Global Fund's efforts to proactively build and maintain its network of key decision-makers by: providing contact information for relevant parties who could benefit from receiving regular information updates from the Global Fund; assisting in the preparation of events in donor countries; providing assistance and advice in the preparation and implementation of high-level visits to decision-makers in donor countries; advising the Global Fund on possible site visits to Global Fund projects by key leaders in their countries; and using their own network and contacts to assist in mobilizing new donors;
- d. ensuring effective and accountable governance of the Fund and preserving the founding principles of the Fund that make it different and innovative, thus safeguarding the credibility and feasibility of the mechanism.

3. It is recognized that resource mobilization can only be successful if it is understood and implemented as a collective effort of various partners. Board constituencies, bilateral organizations, UN organizations (in particular UNAIDS, WHO and UNICEF) as well as NGOs and the private sector are all engaged in the overall goal to mobilize more resources globally for the fight against AIDS, tuberculosis and malaria. Joint advocacy and well-coordinated messages about the resource needs of all partners will have a synergistic effect for the achievement of the common goals.

### **Responsibilities of the Secretariat**

4. Getting consensus and a clear understanding of the strategic assumptions underlying the Global Fund's resource mobilization efforts will require a joint effort by all of the External Relations teams as well as the Board members and wider stakeholders. The primary goal is to keep key decision-makers up to date on the Global Fund as an organization as well as on the impact that the Global Fund is having. In the short term, this will be accomplished by the ongoing high-level contacts with the executive branch of key donors.

5. In the medium term, there will be an increased focus on expanding contacts with donor governments to include the legislative branch as well as the executive branch. Not only because it is the legislature which often has the final input on budgetary decisions, but also because changing governments and evolving priorities within those governments mean that a wider base of support is necessary.

6. In order to accomplish this goal, both the Secretariat and the Board have important roles to play. The Secretariat's role revolves primarily around providing information to outside parties. These outside parties can include not only the Board members but also the general public, the media, civil society organizations, donors and recipient countries. Each of these parties has distinct information needs, requiring a variety of services, including:

- a. publication of a wide selection of documents such as the annual report, progress report, monthly update and electronic newsletter;
- b. working with the international media both to answer their requests for information and to proactively place stories and articles;
- c. providing regular briefing sessions for donor and partner missions in Geneva and maintaining a schedule of regular information visits to donor capitals;
- d. working closely with civil society to educate them on Global Fund activities and procedures;
- e. documenting program results and impact, whether it be through video footage, photography, stories, articles or more statistically driven reports;
- f. engaging political leaders from recipient countries to support Global Fund outreach efforts;
- g. engaging with and supporting the network of Friends organizations around the world; and

h. engaging other supporters from civil society and the private sector.

7. The Secretariat's responsibility also includes all aspects of event management. Primarily this involves the organization of Global Fund events, including Board meetings, replenishment conferences and the upcoming Partnership Forum. It is important that the objectives of such events are clearly communicated and that the Fund work constantly to increase credibility through transparency and professionalism at all high profile events. An important additional responsibility is the coordination of all aspects of the Global Fund's participation in external events, such as establishing the appropriate engagement/role, logistical arrangements, document production and operational support. Such events can range from global events such as the World Economic Forum event in Davos to the UN meetings in New York, but they also include participation in international conferences or special events held in donor countries.

8. The Global Fund, in its desire to be as transparent as possible, has been providing a lot of information on grant performance, measurement systems, results achieved, harmonization efforts, etc. in order to address a multitude of questions raised by donors and other stakeholders. Nevertheless, misperceptions continue and there is no consensus either among stakeholders or among the general public with regards to Global Fund performance. One of the priorities must be to get to a common understanding of the Global Fund's overall performance and how it should best be measured in order that the Global Fund can be benchmarked against similar organizations.

9. The following accountability chart is offered as a checklist for the main strategic actions required for the implementation of this resource mobilization strategy. As reinforced throughout, it requires sustained commitment from multiple partners. The Global Fund is already one of the most remarkable examples of global cooperation and experimentation in the face of an urgent and overwhelming crisis. For it to move to the next level and really succeed as a major source of life saving treatment, prevention and care for those suffering from AIDS, tuberculosis and malaria will require everyone to do their part. Together it is possible.

**Key Accountabilities in ensuring the Fund is Fully Funded**

<b>Essential</b>	<b>Accountable</b>	<b>Influencer/Enabler</b>	<b>Outlook</b>
Agree on an accepted methodology or set of parameters for determining global need and the Global Fund's share	- Board	- Secretariat	Fair
Ensure ODA increases in line with international commitments	- donor delegations on the Board - international community (OECD/DAC) - G8 and other major donors	- recipient community (including southern Governments, NGOs, infected/affected communities) - Secretariat	Fair
Ensure Global Fund share of new ODA is appropriate	- donor delegations on Board	- Secretariat	Fair
Ensure Global Fund attracts new donors to the Fund	- Board (ensuring appropriate governance role) - Secretariat (new donor outreach and marketing)	- Board (facilitates relationships with new donors where they have influence)	Good
Ensure Global Fund is well positioned to receive Funds from innovative financing initiatives	- Board (strategic positioning) - Government delegations on Board (those involved with innovative initiatives)	- NGOs - Secretariat	Good
Ensure private sector increases contributions to the Global Fund	- private sector delegation on Board	- Secretariat - country delegations on Board	Good
Produce reliable and evidence-based results to prove Global Fund's effectiveness	- recipient countries - Secretariat	- Board	Good
Communicate accurate and convincing information on Global Fund results, positioning, and role; manage negative press	- Secretariat	- Board (for their constituencies)	Good

External Relations/CB  
15 March 2006

This document is part of an internal deliberative process of the Fund and as such cannot be made public. Please refer to the Global Fund's documents policy for further guidance.



---

**Strategy for Resource Mobilization in the Middle East and North African Region**

**The Gulf States, Libya and Iran**

**2006**

**Background**

**Short Overview over the Political and Economic Situation in the Gulf States, Libya and Iran**

The political situation in the Gulf States (Gulf Cooperation Council members) and in Libya has been relatively stable throughout the past year despite the overall instability prevailing in the Middle East region. Only in Iran is the recent change in government as well as the international law over its nuclear program likely to cause the country to face uncertainties in the future.

The GCC holds nearly 45 % of the world's oil reserves and supplies 20% of global crude production. Apart from Bahrain and Oman all other GCC States are members of OPEC. Although some GCC member states are in the process of diversifying their source of revenue, their economies rely mainly on oil and gas revenues. Since the year 2000 oil prices have been on the rise and the year 2005 saw the soaring of oil prices on international markets. As a result, many GCC states and other countries such as Libya and Iran have witnessed budget surpluses generated by such increased revenues from oil and gas. Such situation is not expected to change much in 2006.

**The 2005 Global Fund Middle East/North Africa Strategy**

During the second half of 2005 the Global Fund has adopted an overall strategy to widen its contacts with the Middle East and North Africa region. The aim of this strategy is to raise awareness about the Global Fund mission in fighting the three killer diseases on one hand, and to tap potential financial resources for the Fund from rich countries in the region on the other hand.

In this respect, two specific strategies were formulated. For recipient/non recipient countries comprising Algeria, Djibouti, Egypt, Jordan, Lebanon, Mauritania, Syria, Tunisia, the Sudan and Yemen extensive awareness raising campaigns about the Fund's work have been proposed. As far as potential donor countries in the Gulf and North Africa are concerned (Bahrain, Kuwait, Oman, Qatar, United Arab Emirates, Saudi Arabia, Libya and Iran), a proposal was made to initiate closer contacts with the authorities of these countries, and in particular with decision making circles with the aim of making the latter more aware of the needs of their region as regards the fight against AIDS, tuberculosis and malaria. The main aim of initiating such high level contacts is to urge Arab potential donors to contribute financially to such efforts.

As a follow up of the above mentioned strategies, direct contacts were initiated with the permanent missions of the respective countries in Geneva. A network of focal points both in the respective missions and in the countries themselves was set up. Briefing sessions were held to inform the Arab missions about the activities of the Global Fund respectively world wide, in the countries member of the Organization of the Islamic Conference and in their region. Such briefings highlighted the need for political and financial backing of the Global Fund in order for the latter to fulfil its commitments.

In a same bid, the Global Fund staff has taken part in meetings and workshops organized by the WHO/EMRO Regional Office for the East Mediterranean in an attempt to better understand the needs of the region as well as to lobby with the respective ministries of health in view of financial support for the Fund.

A visit to some of the Gulf States was planned in November 2005. Due to unforeseen circumstances, the visits were postponed to early 2006.

Finally the High Level Session which was held before the Global Fund Twelfth Board Meeting on 14 December in Marrakech was a good opportunity for the Global Fund to liaise with the Ministers of Health of the Middle /North Africa region on matters referred to above. The High level Session was also an opportunity for Ministers of the Region to identify the challenges and the opportunities in the region and to adopt common strategy to address the three diseases.

Already several countries in the Gulf region expressed their preparedness to consider future contributions to the Fund. Amongst them Qatar, the United Arab Emirates and Oman. Bahrain has

shown keen interest in the work of the Global Fund and proposed that a Global Fund team pay a visit to Manama to meet with the Health Minister.

Following the latest contacts, both main Arab contributors to the Global Fund, respectively Saudi and Kuwaiti ministries of health have expressed readiness to receive representatives of the Global Fund and to discuss the possibility of resuming their contributions to the latter.

Contacts with the Iranian Mission in Geneva and with the Ministry of Health have shown to be promising. Iran is actually a recipient country. However it is considering contributing to the Fund provided that it obtains a representation in one of the Global Fund Board Committees.

Contacts were also initiated with the Libyan Mission in Geneva and with the representative of Libya to the WHO. It was agreed that a letter should be sent through the permanent mission to the Libyan Leader Gadhafi requesting a meeting in Tripoli in early 2006.

#### **Overall strategy for 2006**

All the above mentioned introductory steps taken by the Global Fund during 2005 will serve as a basis for future actions aiming at securing financial commitment from the Gulf States, Libya and Iran. It is therefore suggested to maintain and consolidate the contacts established with the various focal points. It is also proposed to attend and to organize events which could engage Arab potential donors. A few suggestions regarding the 2006 strategy are listed below:

- It is suggested to initiate future contacts at the highest level since the decision-making process in nearly all potential donor countries belongs exclusively to the people at the top. Hence, well organized field visits become a must. Meetings with the foreign ministry, the health ministry as well as the finance ministry should be included whenever possible. Such visits aim mainly at convincing the Gulf States to contribute to the Global Fund. The Gulf countries are indeed traditionally engaged in bilateral development aid and less in multilateral and there is a need to convince the Gulf countries and Libya to use the Global Fund as a secure channel. These visits should take place as soon as possible, taking into account that the concerned countries are, at present, enjoying considerable budget surpluses due to the high level of oil prices.
- It may also be necessary to initiate contacts with the Gulf Cooperation Council, (GCC) in an endeavor to have its backing for possible contributions of its members.
- It is also suggested to initiate contacts with Organization of the Islamic Conference (OIC) in an attempt to reach out to its members in the region, in Africa and in Asia. Malaysia has at present the presidency of the OIC and has expressed its readiness to raise awareness about the Global Fund and to lobby with its members with a view of securing political/ financial support to the latter.
- Contacts with the emerging private sector in the Arab countries should not be underestimated in the Global Fund search for additional resources. It is suggested that the Global Fund seize the opportunity of the World Economic Forum which will be held from 20-22 May 2006 to raise awareness about its mission and to lobby with Arab private businesses in order to secure additional resources.
- A suggestion was made to both Saudi Arabia and Kuwait to join the Global Fund Board should their pledges meet the set requirements. It may be useful to put this suggestion to both countries once again during the planned visits to Riyadh and to Kuwait City this year.
- Following the preliminary contacts initiated with countries such Malaysia and Brunei Darussalam through their permanent missions in Geneva more attention ought to be devoted to both countries although they are not part of the Middle East region. They are indeed amongst the richest members of the Organization of the Islamic Conference and may be interested in contributing financially to the Global Fund. Malaysia has invited the Global Fund to pay a visit to Kuala Lumpur and to meet with the Malaysian authorities.

- It goes without saying that all the proposed efforts to secure funding from the countries of the Middle East/North Africa region require strong backing from and partnerships with WHO/EMRO since the latter is in permanent contact with the authorities of the respective countries in the region. Furthermore WHO/EMRO has expressed its readiness to discuss future collaboration with the Global Fund and the possibility of setting- up collaborative mechanisms at regional and country levels.
- It is at present difficult to make a clear forecast about possible contributions by the Gulf countries, Libya and Iran given the fact that most of the latter still need to be convinced of multilateral aid. Convincing Arab countries of the necessity and the reliability of such type of development aid will require more contacts and lobbying with ruling circles. It is therefore proposed to encourage Arab recipient countries to speak out for the Global Fund and to convince potential donor countries to contribute to the Global Fund. It is also suggested to seek support from influential donors (US, UK, France, Japan) to urge rich Arab countries to contribute to the Global Fund and to become fully fledged donors.

## Workplan 2006

Month	Event	Activity
January (25-29)	World Economic Forum	Lobbying with Arab businessmen/ Arab private sector/Arab politicians/
February		
March	Field Trips	Visit to Gulf States and meeting with MFA, MOH and MOF of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates
	Meeting with WHO/EMRO	Visit to the GCC and to OIC Headquarters Brainstorming on common strategy to reach out Arab constituency on HIV/IDS, TB and malaria, resource mobilization
	OIC Meeting	Raising Awareness on the GF among the Geneva OIC Group
April	Trip to Vienna	Meeting with the OPEC Fund
	Global Fund Event/Dubai (9)	Lobby with Arab leaders, decision making circles
	DIHAD/Dubai (10-12)	South and West Asia Regional Meeting/ Raising awareness about the GF/ Organize exhibition & Follow up on field trips in the Gulf States
	Field Trips	Visit to Iran Visit to Libya
	13 <sup>th</sup> Board Meeting	
May (20-22)	World Economic Forum On the Middle East in Sharm el Sheikh, Egypt	Lobbying with Arab private businesses and leaders
June		
July	Partnership Forum	
(4-5)	Mid-Term Replenishment	Securing Arab pledges (Saudi Arabia, Kuwait, Qatar, UAE)
August		Follow-up
September		Follow-up
October		Follow-up
November	14 <sup>th</sup> Board Meeting	
December	Global Fund Event Dubai Film Festival	Follow-up and lobby with Arab and foreign celebrities / leaders

## Appendix

Gulf states, Libya and Iran				Mio *
Country	Status	2005	2006	Prospects of Pledges in USD 2006-10
<b>Bahrain</b>	High income country with almost depleted natural resources. Developed service sector. No available data on ODA  Organized civil society sector which could help earn political support to the GF  <u>Likelihood of modest contribution</u>	Sent a representative from the Bahraini Embassy in Rabat to the High level Session. Contacts with the Permanent Mission and with Reps. Of the Ministry of Health.	Need to maintain contacts with the view of getting political support  Visit to Manama in March 2006 Meeting with the Bahraini Ministries of Health and of Foreign Affairs	2.000.000 to 10.000.000
<b>Kuwait</b>	High income and oil producing country. Member of OPEC. Important budget surplus from high oil prices. Has contributed USD1 million in 2003. The Kuwait Fund is the main development aid body. <u>Important volume of aid to Arab and Muslim countries</u>	Attended the High level Session Contacts with the Permanent Mission and with the Minister of Health. Interest expressed in resuming contribution to the GF	Follow up on meeting with MOH in Marrakech  Visit to Kuwait City in early 2006. other meeting with the Kuwaiti MOH	25.000.000 to 75.000.000
<b>Libya</b>	Upper -middle income and oil producing country. Member of OPEC. No available information on ODA. <u>Important volume of aid to Africa and to some countries in the Middle East</u>	Did not attend the High Level Session. Contacts with the Permanent Mission and with the Libyan WHO representative.	Mission to facilitate visit to Tripoli in early 2006  Meeting with Libyan authorities	10.000.000 to 25.000.000
<b>Oman</b>	Upper-middle income country. Oil and natural gas resources. But not member of OPEC No available information on ODA  <u>Likelihood of modest contribution</u>	Did not attend the High Level Session. Contacts established with Permanent Mission and with the Ministry of Health	Visit to Muscat planned in March/ April 2006  Meeting with the Ministries of Health and of Foreign Affairs	2.000.000 to 10.000.000
<b>Qatar</b>	High income oil and gas producing country. Member of OPEC No available information on ODA. <u>However Qatar has announced its wish to increase ODA to 0.7% . the Qatar Development fund was set up for this purpose</u>	Attended the High level Session. Contacts with permanent mission and with the Ministry of Health.	Visit planned to Doha in /March 2006 Meeting with the Ministries of Health and of Foreign Affairs  Contact with Arab satellite media Al Jazeera	25.000.000 to 50.000.000
<b>Saudi Arabia</b>	Largest oil producing country. Classified as upper-middle income. Member of OPEC. No available data on ODA. Contributed USD7,5 (USD2,5 /year) <u>Important volume of bilateral aid to Arab and</u>	Did not attend the 2005 London Replenishment conference. Did not attend the High level Session Contacts with mission, with the Minister of Finance and with the Minister of health Letter from EMRO to SA	GF trip planned to Riyadh with the Djibouti Health Minister, Vice Chair of the Replenishment Conference and Regional Director, WHO EMRO	25.000.000 to 75.000.000



	<u>Muslim countries.</u>		Meeting with the GCC Director General  Meeting with OIC Secretary General (Jeddah)	
<b>United Arab Emirates</b>	High income oil and gas producing country. Member of OPEC. Developed service sector. Most dynamic and liberal country in the Gulf. No available data on ODA. <u>Important volume of bilateral aid.</u>	Did not attend the High level Session. Contacts with the Permanent Mission and with the Ministry of Health.	Visit planned to Abu Dhabi early 2006 & in April/DIHAD Conference + contacts with Al Arabbiya sat. channel	25.000.000 to 50.000.000
<b>Iran</b>	Oil producing country. Member of OPEC. <u>Global Fund recipient country willing to contribute to the Fund.</u>	Attended High level Session and expressed readiness to become part of one of the board committees and to contribute financially to the Fund.	Trip planned by South Asia Cluster in April  Follow-up on Marrakech discussions with Iranian Advisor to the Health Minister on Iranian membership of the FAC Committee.	2..000.000 10.000.000

Such prospects of probable pledges (USD115.mio -300. mio ) take into consideration:

- a. the fact that, so far, the two main Arab donors, respectively Kuwait and Saudi Arabia have only modestly contributed to the Fund and that a very large increase in their contribution is unlikely
- b. the fact that Qatar and the United Arab Emirates might make modest contributions over a longer period of time
- c. the fact that some countries such as Bahrain, Libya, Oman and Iran are unlikely to pledge considerable amounts
- d. the fact that a quick shift from bilateral aid to multilateral development aid remains a remote possibility.