



Investing in our future

**The Global Fund**

To Fight AIDS, Tuberculosis and Malaria

**Sixteenth Board Meeting  
Kunming, China, 12 – 13 November 2007**

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**Annex 1**

**THE SECOND GLOBAL FUND REPLENISHMENT (2008 – 2010)  
FIRST MEETING, OSLO, 6-7 MARCH 2007**

**CHAIR'S SUMMARY**

1. The first meeting on the Second Replenishment of The Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund) took place in Oslo on 6-7 March 2007. Her Royal Highness Crown Princess Mette-Marit was in attendance. Mr. Erik Solheim, Norway's Minister of International Development, welcomed the participants and opened the meeting. Thirty-two delegations participated. Dr Carol Jacobs, Chair of the Board, and Professor Sir Richard Feachem, Executive Director of the Global Fund, made introductory statements on behalf of the Global Fund. Sven Sandström chaired the meeting. He noted that Mr. Kofi Annan had kindly accepted to continue to chair the replenishment process and would participate in the forthcoming meeting in Berlin. Participants expressed their appreciation to Professor Sir Richard Feachem for his enormous contribution to the establishment of the Global Fund and welcomed the incoming Executive Director of the Global Fund, Professor Michel Kazatchkine.
2. Participants welcomed the progress made by the Global Fund and its partners since the First Replenishment and the consistent follow-up that had been demonstrated on the issues raised in previous meetings. They commended the Fund for the high quality of the documents prepared for the meeting.
3. Participants discussed the "Results Report: Partners in Impact". They expressed great appreciation for the report and the progress made by the Fund and its grant beneficiaries in achieving concrete results and early impact. They congratulated the Fund on the transparency, frankness and specificity of the report and noted that it demonstrates that the Fund is performance-based and results-oriented.
4. Participants stressed the need to pay particular attention to several issues noted in the report, including: (i) health systems strengthening, where they emphasized the need for follow-up with the World Bank and WHO on the recommendations of the Shakow Report, (ii) follow-up on the Paris Declaration, where they suggested that the Fund raise its level of ambition with regard to specific targets, (iii) the effectiveness of country partnerships, (iv) fragile states, where they welcomed the progress made while suggesting that further work be Second Replenishment 2008 – 2010 (First Meeting) 2/3 Oslo, 6-7 March 2007 done with technical partners to find ways to assist specific countries that may now not be able to implement Fund programs effectively, (v) continued efforts to monitor the balance between prevention and treatment and to improve the measurement of the effectiveness of prevention, (vi) the provision of care and support, and (vii) drug resistant strains of tuberculosis and malaria.
5. Participants emphasized the importance of gender in Global Fund programs and particularly access to treatment and services by women and girls, prevention of mother to child transmission, and sexual reproductive rights. They highlighted the need for Global Fund systems and

procedures to ensure a more integrated and comprehensive approach to gender, in partnership with other institutions.

6. Participants noted that the Results Report will be very helpful in their discussion with various interest groups in their respective countries. They indicated that visits by Secretariat staff to help disseminate the Report and its findings would be helpful. In this context, they asked for further information on (i) the relative cost effectiveness and comparative advantages of channeling financial support through the Fund, (ii) effects on overall country health systems of the Fund's disease-specific support, (iii) how Fund programs support vulnerable and disadvantaged groups, and (iv) country capacity to contribute, including through domestic counterpart financing. WHO and UNAIDS will provide an update on resource needs through 2015 and were requested to prepare a report on the cost of inaction.

7. Participants considered a report on the current funding outlook for the Global Fund. With regard to the 2006-2007 replenishment period, they welcomed the encouraging funding trend and the more solid foundation now emerging to meet the resource needs of the Global Fund. About US\$ 0.6 billion is already available for Round 7 new grants, including additional contributions for 2007 announced at the meeting. Donors acknowledged the need for further contributions for Round 7.

8. Participants discussed a Global Fund Secretariat report on resource needs for 2008-2010 and the associated funding scenarios, which range from US\$ 12 billion to US\$ 18+ billion for the three-year period. Donors agreed to consider ambitious but realistic funding targets in this range. In doing so, they noted that the performance and results demonstrated by the Fund and its grant beneficiaries provide a strong basis for scaling up the programs of the Fund. Furthermore, donors took into account expressed demand as well as global resource requirements to achieve the Millennium Development Goals, and also discussed the likely evolution of other funding sources for the three diseases and the sensitivity analyses presented by the Fund Secretariat. They welcomed the upcoming April Board discussion on the size of the Global Fund, which would further inform them as they consider a specific target for the replenishment.

9. In discussing future funding scenarios, donors emphasized the importance of continued strong performance by the Fund and its beneficiaries and of enhancing the predictability of Global Fund grant financing through multi-year donor commitments. They discussed the challenge of mobilizing country capacity for scaling up and agreed to keep this under review. They asked the Fund to explore options for reducing cash balances through the use of promissory notes and other instruments. They also stressed the need to (i) broaden the donor base, (ii) increase private sector contributions, and (iii) revise the current system for allocating Board seats and votes in order to encourage donor contributions and inclusion of new donors.

10. Participants received three brief updates. First, the report of the Resource Mobilization Task Team was presented by its Chair, Mr. Michael Madnick. Participants noted that the Fund's Board will consider the report at its meeting in April and would decide on its recommendations.

11. Second, participants were briefed by the private sector representative, Dr. Brian Brink, on the progress made in mobilizing additional resources for the Global Fund from the private sector. They welcomed the US\$ 20 million that has so far been generated by Product (RED). They appreciated the emergence of a much needed stronger partnership with the private sector and the many promising initiatives now under way to meet the needs of the Global Fund and the expectations of other stakeholders.

12. Third, progress in developing a Global Fund strategy was presented. Participants noted the strategic issues that would be proposed for decision at the April Board meeting. They expressed

satisfaction that the strategy process was nearing completion and looked forward to receiving the final strategy document well ahead of the next replenishment meeting.

13. Participants agreed to meet again in Berlin on 25-26 September 2007 and reviewed plans for the meeting. Donors expressed appreciation to Germany for hosting the September replenishment meeting. Germany also offered to organize side events during the meeting on key themes such as gender, health systems and other aspects of the Global Fund's work as well as to ensure consultation with civil society and the private sector. Donors emphasized the need for strong support for the replenishment in the coming months based on clear indications of performance, cost effectiveness and comparative advantages of Global Fund programs as well as supportive messages from civil society, beneficiaries and other key constituencies. It was emphasized that at least ministerial-level representation is expected at the Berlin meeting.

14. Participants thanked the Royal Government of Norway for the excellent arrangements for the meeting and for the warm hospitality.

**COMMUNIQUÉ, THE GLOBAL FUND'S SECOND REPLENISHMENT (2008-2010)  
SECOND MEETING, BERLIN, 26-28 SEPTEMBER 2007**

28 September 2007

1. Each year, six million people die from AIDS, tuberculosis and malaria. The three diseases, which are both preventable and treatable, still continue to spread. Millions of people are denied access to a healthy life. These diseases also have a devastating impact on the economic and social development prospects of the affected countries.

2. The Global Fund to Fight AIDS, Tuberculosis and Malaria was created in 2002. Its main objective is to channel a large volume of new resources to combat the three global health pandemics. The Global Fund's voluntary replenishment process was introduced in 2005 to help mobilize a high level of sustainable and predictable funding consistent with the international commitments to ensure universal access to HIV/AIDS prevention, treatment and care by 2010 and to attain the Millennium Development Goals (MDGs) by 2015. The total amount of funds committed by donors to date is USD 11 billion, of which USD 4.7 billion for the First Replenishment period 2006-2007.

3. With this the second meeting of the Global Fund's Second Replenishment in Berlin, we, the participating stakeholders, have completed the process of reviewing the results and the impact achieved so far by the Global Fund with a view to ensuring that the resources to fight the three diseases expand substantially. This process began at our meeting in Oslo on 6 – 7 March 2007, which was hosted by the Norwegian Government. During the Oslo meeting, we agreed to consider "ambitious but realistic funding targets" in the range of USD 12-18 billion for the Second Replenishment period 2008 – 2010, with the ultimate target dependent on country demand. The Global Fund Board in April 2007 recognized that, if partners and stakeholders in developed and developing countries scale up their efforts to strengthen and improve the quality of demand from country partnerships, the need for Global Fund resources could potentially reach the level of USD 8 billion annually by 2010. This in turn would require a tripling of the current level of annual contributions by 2010. The Board further acknowledged that this would require continued demonstration of good performance, effectiveness and rapid disbursement by the Global Fund and its grantees.

4. We are pleased with the results and the impact achieved by the Global Fund so far. To date, the Global Fund has signed agreements for over 450 grants in 136 countries. The Global Fund currently provides two-thirds of the international resources for the fight against malaria and tuberculosis, and 20 percent of the global funding to fight AIDS. As of mid-2007, 1.1 million people have begun antiretroviral treatment through Global supported programs and nearly 30 million insecticide-treated bed nets have been distributed to prevent malaria. In addition, tuberculosis programs have detected and treated 2.8 million cases under DOTS, the internationally-approved control strategy. It is estimated that 1.8 million lives have been saved so far thanks to the programs funded by the Global Fund. Early signs of impact on the MDGs in a number of countries suggest that the Global Fund will contribute substantially to achieving these Goals. The 5-year evaluation of the Global Fund, which will be completed in 2008, will allow a fuller assessment of these impacts.

5. We acknowledge the ongoing implementation of the G8 Commitments on Health for a vigorous response to the threat of infectious diseases<sup>1</sup> and welcome the Global Campaign for the Health Millennium Development Goals. We commit to scaling up financing for the Global Fund to ensure progress is made towards achieving the goal of universal access to comprehensive HIV/AIDS prevention, treatment, care and support by 2010. We recognize that recipient countries are increasing their efforts to fight the three diseases, including increasing domestic resources, and we call on all recipient countries to continue forcefully to pursue these efforts.

6. We welcome the finalization of the Global Fund's strategy "Accelerating the Effort to Save Lives" and the operational steps that are being taken to implement it. We look forward to receiving progress reports on implementation of the strategy, including progress in the use of national, and where appropriate regional, health and HIV/AIDS plans and systems as the basis for Global Fund support, efforts to align with country planning cycles, and use of national systems for monitoring and evaluation and budget execution. We welcome the progress already shown by the Global Fund in several of these areas, which are important elements of the Paris Declaration on aid effectiveness, and relevant also to the Global Fund's role in contributing to the International Health Partnership, to which it is a signatory. We are pleased with the emphasis the Fund places on managing for results. We urge continued efforts in these critical areas.

7. We emphasize the need for the Global Fund and collaborating national and international partners to ensure that increased investments in the fight against the three diseases also support the strengthening of broader health system capacities. We therefore welcome ongoing efforts to better define the role of the Global Fund and other actors in the international health architecture, but reiterate that the Global Fund should retain its focus as a financing mechanism targeting the poorer countries. We look forward to receiving progress reports in this area as well. We call on other institutions with responsibility for the strengthening of national health system capacities to enhance their efforts, and encourage the Global Fund to further strengthen its partnerships with these institutions.

8. In the overall context of scaling up to achieve the twin goals of universal access and strengthening of health systems, we commit to make major progress and to help provide universal coverage of Prevention of Mother to Child Transmission (PMTCT) programs by 2010.

9. Recognizing the specific vulnerability and burden of women in the context of the three diseases as well as their potential power, we support a gender-sensitive response by the Global Fund, ensuring that more attention and appropriate resources are devoted to the equal rights and needs of women and girls and to supporting them in exercising their right to health and their sexual rights. In order to achieve this goal we must involve men and boys, and support male behavior change. We therefore welcome the initiative by the German Government further to strengthen the integration of gender, including sexual minorities, issues into the Global Fund's policies and

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<sup>1</sup> Summit Declaration, 8 June 2007, G8 Summit, Heiligendamm:

"48. The G8 countries will scale up their efforts to contributing towards the goal of universal access to comprehensive HIV/AIDS prevention programs, treatment and care and support by 2010 for all, ... We recognize that meeting this goal of universal access as well as realizing the Millennium Development Goals for fighting HIV/AIDS, malaria and tuberculosis on a sustainable basis and strengthening of health systems will require substantial resources. We will continue our efforts towards these goals to provide at least a projected US\$ 60 billion over the coming years, and invite other donors to contribute as well.

49. We recognize that the level of demand to the Global Fund to fight AIDS, Tuberculosis and Malaria (GFATM) will increase substantially in the future as has been projected by the GFATM Board. In this regard, noting the conclusions of the April meeting of the GFATM Board, which estimated an additional demand approximately of US\$ 6 billion by 2010 which might possibly reach US\$ 8 billion, G8 members pledge to work with other donors to replenish the GFATM and to provide long-term predictable funding based on ambitious, but realistic demand-driven targets. A replenishment conference will be held in Germany in September 2007. G8 partners will work with other stakeholders so that Global Fund resources continue to be used in alignment with existing national priorities and processes."

operations. We also welcome the commitments expressed by multilateral agencies to support countries in adopting a gender sensitive approach to fighting the three diseases and improving health. We urge the Board to take decisions on measures to increase the representation of women and/or people with gender expertise in all bodies of the Global Fund, to make gender sensitiveness a criterion for the review of proposals and to include gender indicators in monitoring and evaluation. We support the Secretariat in making its structures more gender-sensitive. We commit ourselves and call on other donors to explore possibilities to support organizations targeted at reducing women's and girls' vulnerability at country level in order to enhance their access to Global Fund resources.

10. We welcome the strong support that the Global Fund receives from Private Foundations. We also welcome the increased participation of the Private Sector in the Global Fund replenishment process and their focus on innovative approaches to resource mobilization. Taking note of the many initiatives now underway in this sector, we look forward to significant further progress over the next three years.

11. We are also encouraged by the progress made on innovative financing mechanisms through the Framework Agreement on Debt2Health between Germany and the Global Fund that was signed in Berlin this week and welcome the first concrete Debt2Health transaction, which has been finalized between Germany, Indonesia and the Global Fund. This example of multilateral cooperation marks an important milestone in fighting disease and poverty and also supports Indonesia's efforts to reduce external debt while at the same time becoming a donor to the Global Fund.

12. Recognizing the role of civil society organizations as advocates and implementers for the Global Fund, we welcome and support the Global Fund's plans to strengthen this partnership even further. The effectiveness of the Global Fund as a financing mechanism depends on strong partnerships to scale up country demand and program implementation. We acknowledge that good quality technical support for capacity building and implementation provided by partners -- including multilateral and bilateral donors, civil society, UNAIDS and WHO -- is crucial and urge the Global Fund to further strengthen its technical assistance partnerships. These efforts are also essential to help ensure fair and equitable access to Global Fund grant financing by those most in need.

13. We recognize the growing evidence of cost effectiveness of Global Fund investments, and we request the Fund to continue to analyze and demonstrate the comparative advantages of its model and how it provides maximum value for money. We recognize that the level of demand for Global Fund resources could increase substantially in the future. We will encourage initiatives to provide more support to countries to help express this demand through well designed programs.

14. Today we made good progress towards meeting the total 2008-2010 resource needs of the Global Fund. At our meeting today, we have pledged a total of about USD 6.3 billion for the Global Fund. We have also received projections by the Global Fund Secretariat and by other donors of additional contributions of about USD 3.4 billion. Hence, at least about USD 9.7 billion will already be available to meet the Global Fund's needs in the next three years, 2008-2010. We welcome this significant increase in resources provided to the Global Fund. We note with satisfaction that this ensures, already at this stage, that the Global Fund will have the resources required to approve over the next three years the continuation of all ongoing programs, at a total cost estimated at USD 6.5 billion, and also have resources to launch new programs at the level of USD 3.2 billion. We emphasize that additional contributions are required, particularly from new donors and from existing donors who have the potential to make further contributions, and that they will be essential if demand increases as expected.

15. We recognize that the needs of countries and communities living with HIV-AIDS, tuberculosis and malaria will stretch far beyond the current replenishment period. In order to be able to plan and resource the fight against the three pandemics together with the requisite strengthening of their health systems, they need long-term sustained and predictable funding. We recognize the need to strengthen the Global Fund's capacity to provide such funding - and acknowledge the value in donors providing long-term funding commitments to the Fund. We welcome the initiative of the United Kingdom in pledging additional amounts up to 2015, which could be transformative in developing good quality demand going forward, and that several donors have indicated that they will also consider making similar long-term commitments.

16. We have agreed to hold a mid-term meeting in 2009 as part of the replenishment process to review the performance of the Global Fund and to consider additional funding dependent on an updated demand estimate by the Global Fund, and Global Fund performance. At this meeting, we will also plan for the third replenishment, for 2011 and beyond.

17. We thank the Government of Germany for hosting this meeting and for excellent arrangements and hospitality, and we also thank and congratulate them for their leadership on the integration of gender issues in the Global Fund's programs. We thank Mr. Kofi Annan for his leadership as Chair of the Replenishment and Sven Sandström for his guidance and support as Vice Chair. We thank the Global Fund for its excellent work in preparing for and facilitating the Replenishment, and UNAIDS, WHO, the World Bank and other partners for their support.

## PLEGGED AND PROJECTED CONTRIBUTIONS, BERLIN MEETING, SEPTEMBER 2007

## The Global Fund's Second Replenishment 2008 - 20

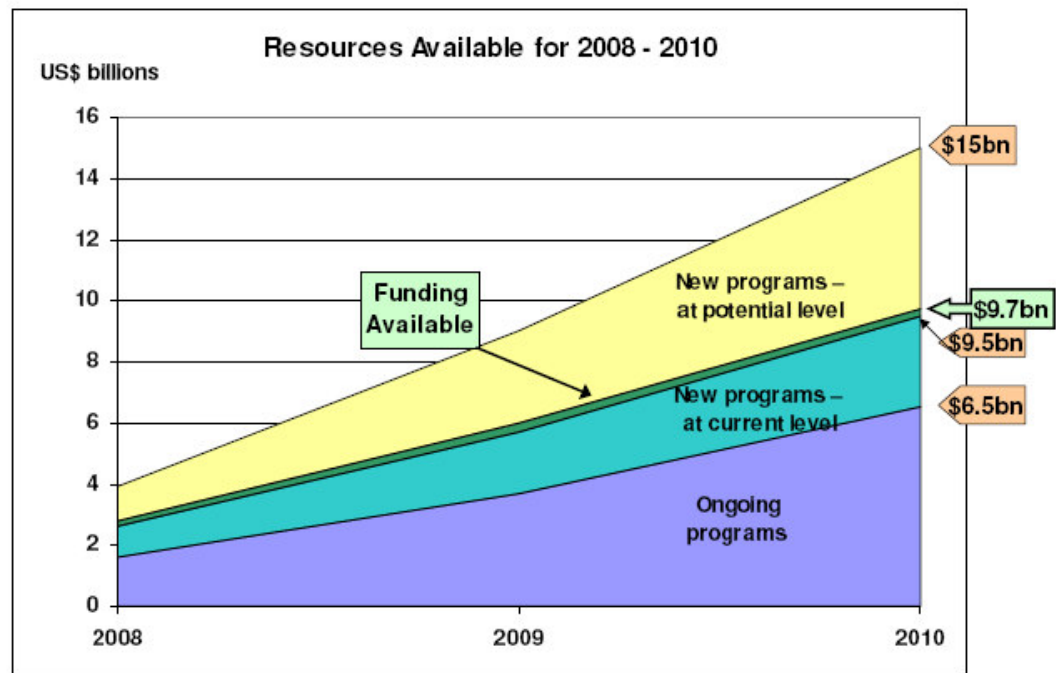
## Pledges for 2008 - 2010 at 27 September 2007

Donor	Pledge		Pledge <sup>(1)</sup>
	In currency of pledge		At USD equivalent <sup>(2)</sup>
			USD million
<b>Pledged 2008 - 2010</b>			
Australia	AUD	135.0	118.9
Belgium	EUR	54.0	76.4 <sup>(3)</sup>
Canada			tbd <sup>(4)</sup>
China	USD	6.0	6.0
Denmark	DKK	519.9	98.7
European Commission	EUR	300.0	424.5
Finland	EUR	6.0	8.5
France	EUR	900.0	1,273.6
Gates Foundation	USD	300.0	300.0
Germany	EUR	600.0	849.1
India	USD	7.0	7.0
Ireland	EUR	90.0	127.4
Italy	EUR	390.0	551.9
Japan			tbd <sup>(5)</sup>
Korea (Republic of)	USD	7.0	7.0
Luxembourg	EUR	7.5	10.6 <sup>(6)</sup>
Netherlands	EUR	230.0	325.5 <sup>(7)</sup>
Norway	NOK	1,125.0	205.2 <sup>(8)</sup>
Portugal	USD	8.0	8.0
Russia	USD	217.0	217.0 <sup>(9)</sup>
Saudi Arabia	USD	18.0	18.0
Singapore	USD	0.2	0.2
South Africa	ZAR	1.0	0.1
Spain	USD	600.0	600.0
Gen.Catalunya/ Spain	EUR	1.5	2.1
Sweden	SEK	1,830.0	281.3 <sup>(10)</sup>
Switzerland	CHF	21.0	17.9
Thailand	USD	3.0	3.0
United Kingdom	GBP	360.0	728.6 <sup>(11)</sup>
United States			tbd <sup>(12)</sup>
<b>Projected Contributions 2008 - 2010</b>			
Debt2Health - Gemany	EUR	200.0	283.0
of which realized as restricted contribution from:			
Indonesia	EUR	15.0 <sup>(13)</sup>	
Canada	CAD	375.0	374.4 <sup>(14)</sup>
Japan	USD	183.8	183.8 <sup>(15)</sup>
Private Donors			420.0 <sup>(16)</sup>
United States	USD	2,172	2,172.0 <sup>(17)</sup>
<b>TOTAL</b>			<b>9,700</b>



- (1) Many pledges are subject to budgetary and/or parliamentary approval.
- (2) Pledges denominated in currencies other than US dollar are stated at their US dollar equivalents using the rates of exchange on 27 September 2007 as published by Reuters.
- (3) Political commitment by the present (outgoing) government of Belgium is subject to reconfirmation by new government.
- (4) See note 14.
- (5) See note 15.
- (6) Luxembourg commits itself to make an annual contribution for 2008-2010 which should aim to be at least at the same level as that of the previous year, subject to the evolution of Luxembourg's ODA.
- (7) Of the Netherlands pledge, EUR 50 million will depend on the contributions of G8 countries, to be decided at a later stage on assessment by the Netherlands.
- (8) The Norway pledges for 2009 and 2010 will be the greater of NOK 375 million and 1.5% of total annual contributions, up to the upper limit of the current target range for contributions in 2008-2010.
- (9) The yearly allocation of the Russian Federation pledge for 2008-2010 will be according to the schedule to be agreed with the Global Fund Secretariat.
- (10) For the replenishment period 2008-2010 the intention of Sweden is to maintain its 2.9 percent share of total contributions. This amount of SEK1,830 million is based on 2.9 percent of total pledges and projected contributions at the Berlin Replenishment meeting. At the Replenishment mid-term review in 2009, Sweden will analyze the Global Fund performance, including distribution of financing among donors, and on that basis will decide if there is a need for Sweden to review the 2.9 percentage, or put a cap on the contribution as such.
- (11) The yearly allocation of the United Kingdom pledge of GBP 330 million over 2008, 2009 and 2010 is subject to the outcome of the UK Comprehensive Review in October 2007. The UK pledge includes an additional amount in 2010 of GBP 30 million providing the Global Fund is receiving good quality demand, is performing well, and is demonstrating sustainable impact. The UK also pledges up to GBP 640 million over the 5 years from 2011 to 2015 providing the Global Fund is receiving good quality demand, is performing well, and is demonstrating sustainable impact.
- (12) The United States Government follows an annual appropriation of funding and is not able to confirm multi-year pledges.
- (13) Payment by Indonesia to the Global Fund during the period 2008-2010. Total expected payment by Indonesia as a result of Debt2Health swap with Germany is EUR 25 million over 5 years.
- (14) Canada will announce its actual pledge at a later date. The estimate of CAD 125 million per year is based on projections from the current level.
- (15) In 2008, Japan will contribute US\$183.8 million to complete the disbursement of US\$500 million pledged in 2005, of which US\$316.2 million has been provided so far. This does not include potential pledges for 2009 and 2010.
- (16) The projection of Private Donor contributions is estimated based on expected results from consumer campaigns, corporate partnerships and major gifts from individuals and foundations, including the Communitas Foundation (and excluding the Bill & Melinda Gates Foundation, which is listed separately in the table).
- (17) The projection of the US contribution is made by the Global Fund Secretariat and is based on the US contribution for financial year 2007 of US\$724 million. It is understood that this projection does not constitute a pledge.

# Resources Available 2008–2010



Second Voluntary Replenishment (2008-2010), Second Meeting  
Berlin, Germany, 26 - 28 September 2007