The President’s Emergency Plan for AIDS Relief
Fiscal Years 2009-2010 Report on the Global Fund to Fight AIDS, Tuberculosis and Malaria

November 2011

The Administration provides this Report pursuant to Section 202(c) of the Public Law 108-25, as amended, the “United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003” (“The Act”), which requires the President to “submit to the appropriate Congressional Committees a report on the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund), including contributions pledged to, contributions (including donations from the private sector) received by, and projects funded by the Global Fund, and the mechanisms established for transparency and accountability in the grant-making process.”
Introduction

The U.S. Government (USG)’s contributions to and engagement with the Global Fund are a central element of its strategy for achieving success in the fight against HIV/AIDS, tuberculosis (TB), and malaria. The Global Fund is a unique model that relies on partnerships among governments; civil society, including community and faith-based organizations; international organizations; bilateral and multilateral donors; the private sector; and affected communities in the fight against the three diseases. Founded in January 2002 as an independent, non-profit foundation under Swiss law, the Global Fund operates as a financing instrument – not as an implementing entity – to attract and disburse resources to prevent and treat the three diseases. The USG, as a founding member of the Global Fund and its first and largest donor, continues to play a leadership role in ensuring the success of this important international effort.

The USG is a leader in the fight for improved global health. With strategic investments in global health, the USG aims to spur progress in economic development, job creation, education, agricultural development, gender equity, and political stability. A continued commitment to both bilateral and multilateral efforts to combat AIDS, TB, and malaria is vital for the overall response. The United States is committed to working with and through international organizations to increase access to high quality, sustainable health programs, and is working aggressively to increase the impact of Global Fund resources.

Due to the strategic shifts that have taken place within USG global health policy in 2009 and 2010 as a result of the incoming Presidential Administration and the roll-out of PEPFAR II, the Global Health Initiative (GHI), and several key policy decisions within the Global Fund context, these two years represented a critical moment of reinforcement and realignment in the relationship between the USG and the Global Fund.

This report covers the period of **October 1, 2008 – September 30, 2010** and addresses the annual Congressional reporting requirements for fiscal year (FY) 2009 and FY 2010.

Consistent with the requirements of Section 202(c) of the Public Law 108-25, as amended, this Report is organized into the following sections:

I. Funds Pledged and Contributed;
II. Projects Funded and Results; and
III. Transparency and Accountability.
I. **Funds Pledged and Contributed**

By encouraging financial commitments and shared responsibilities among donors and recipients in addition to our own financial contributions, the USG compounds the commitment of the American people to public health through its investment in the Global Fund. The existence of the Global Fund is both an invitation and a benchmark to encourage the rest of the international community to join together to fight the three diseases. The Global Fund maintains a current, public listing of all pledges and contributions at: http://www.theglobalfund.org/documents/core/financial/Core_PledgesContributions_List_en/.

**Pledges:** The Global Fund received pledges through calendar year 2010 (Appendix 1) of $19.6 billion\(^1\), including the following:
- $18.8 billion from governments, including the United States;
- $656.3 million from private foundations; and
- $127.7 million from the private sector and “innovative financing mechanisms” such as UNITAID and the Debt2Health program.

Since the inception of the Global Fund through U.S. FY 2010, the USG has appropriated more than $5.5 billion, or 28.3 percent of total pledges to the Global Fund through 2010.

The Global Fund mobilizes resources through a periodic, voluntary replenishment model, which provides a forum for donors to exchange views on the operations and effectiveness of the Global Fund, consider its funding needs and make pledges in respect of their financial contributions for the next three years. In October 2010, the Global Fund conducted its Third Voluntary Replenishment (2011-2013), which culminated in a pledging conference in New York. Because this falls outside the reporting period for this FY 2009-2010 report, the Third Voluntary Replenishment will be covered in the FY 2011 Annual Report to Congress on the Global Fund.

**Contributions:** The Global Fund contributions received from inception through calendar year 2010 (Appendix 2), total $18.8 billion\(^2\), and include the following:

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\(^1\) Total pledges of $19.6 billion through 2010 do not include funds pledged to support the Affordable Medicines Facilities – malaria (AMFm). The United Kingdom, UNITAID, and the Gates Foundation have pledged $211.9 million in support of AMFm through 2010, and these pledges and contributions are maintained separate from other Global Fund resources.
• $17.9 billion from governments, of which $5.1 billion was from the United States (28.7 percent of total contributions);
• $659.4 million from private foundations; and
• $288.6 million from the private sector and “innovative financing mechanisms” such as UNITAID and the Debt2Health program.

In FY 2009 and FY 2010, the USG appropriated $1.0 billion and $1.05 billion, respectively, for contribution to the Global Fund. The USG contribution is subject to a number of statutory withholding provisions. The USG contributed $958.6 million from the FY 2009 appropriations and $673.8 million from the FY 2010 appropriations during this reporting period. Additional contributions are planned from both fiscal years once the withholding amount is finalized for each fiscal year. The percentage of the full Global Fund budget represented by U.S. pledges and contributions has remained relatively stable and the USG continues to see the statutory cap on the size of the U.S. contribution to the Global Fund as a catalyst for greater investment by other donor countries, the private sector, and individuals in the fight against HIV/AIDS, TB, and malaria.

II. Projects Funded and Results

Disbursements: Since its inception through the end of FY 2010, the Global Fund disbursed over $12.1 billion in support of country-led responses to the three diseases. Of that amount, 56% was disbursed for HIV/AIDS grants, 28% for malaria, 15% for TB, and 1% for standalone health systems strengthening programs that directly contribute to improved outcomes in more than one disease area.

Results: As of December 2010, the Global Fund reported contributing to the following results:

Fighting HIV/AIDS
- 3 million people receiving antiretroviral treatment;
- 150 million HIV counseling and testing sessions conducted;

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2 Total contributions of $18.8 billion through 2010 do not include funds contributed to support AMFm. The United Kingdom, UNITAID, and the Gates Foundation have contributed $211.9 million in support of AMFm through 2010, and these contributions are maintained separate from other Global Fund resources.

4 The U.S. Leadership Against HIV/AIDS, Tuberculosis and Malaria Act of 2003, as amended (the “Leadership Act”), Sections 202(d)(4)(A)(ii), (iii) and (v), generally provide that the United States must withhold from its contribution to the Global Fund certain amounts if the President makes certain determinations regarding the Global Fund's activities. Responsibility for making these determinations has been delegated to the U.S. Global AIDS Coordinator.
- 5 million basic care and support services provided to orphans and vulnerable children (OVCs); and
- 1 million HIV-positive pregnant women received treatment for prevention of mother-to-child transmission (PMTCT).

**Fighting Tuberculosis**
- 7.7 million new cases of infectious TB detected and treated; and
- 48% of the 2009 estimated international targets for detection of TB cases and treatment using DOTS contributed by Global Fund-supported programs.

**Fighting Malaria**
- 160 million bed nets distributed to protect families from transmission; and
- 142.4 million malaria drug treatments delivered.

### III. **Transparency and Accountability**

The Global Fund is a leader among international organizations on transparency and accountability. The Fund makes public all grant agreements, disbursement requests and decisions, Board documents and decisions, and the findings and recommendations of its Office of the Inspector General (OIG). The USG strongly supports the Fund’s transparency and is committed to working with the Global Fund Board, Secretariat, OIG, and other stakeholders to continually strengthen and improve the Fund’s operations and impact.


**Grant Management and Oversight:** Within the Global Fund model, there are a number of mechanisms in place to ensure programmatic and financial grant management and oversight. For a full description of these mechanisms, please refer to the Global Fund website or to the FY 2008 Annual Report. This section aims to highlight key strengths and weaknesses of existing mechanisms.
In general, because the Global Fund does not have in-country staff, grant oversight must be accomplished through clear reporting requirements, rigorous grant management supported by Local Fund Agents (LFAs), well-defined in-country oversight mechanisms, and strong partnerships. This model supports the Global Fund’s focus on supporting country-owned grant development, implementation, and oversight. However unclear lines of communication, lack of compliance with Global Fund policies, and conflicts of interest within in-country oversight mechanisms are common problems. At country level, the OIG has found significant weaknesses in the financial oversight of Sub-Recipients (SRs), which is of particular concern given that SRs account for 53% of all Global Fund expenditures. Grant oversight, both at country level and within the Global Fund Secretariat, needs to be improved on an urgent basis. The USG has worked continuously to reform this area of Global Fund operations and since the conclusion of this reporting period lead efforts to improve grant oversight.

**Fund Portfolio Managers (FPMs).** FPMs serve as the Secretariat’s front line in grant management. FPMs are responsible for negotiating the terms of grant agreements, including any conditions that must be met before funds can be disbursed; evaluating grant performance; assigning grant ratings; making recommendations for Phase 2 funding levels; and meeting corporate targets on grant disbursement. FPMs face an inherent tension between their responsibility to link funding to programmatic and fiduciary performance and their role in meeting corporate disbursement timelines and targets. The USG is deeply concerned about this tension and during the reporting period worked to emphasize the importance of the quality of grant management and disbursement decisions as well as the speed and quantity of disbursements. This focus was picked up and endorsed in late 2010 by the Board’s Comprehensive Reform Working Group (CRWG) and subsequently endorsed by the Board during the FY 2011 reporting period.

**Local Fund Agents (LFAs).** Given that the Global Fund does not have in-country staff, it relies on LFAs to verify Principal Recipient (PR) financial and programmatic reports. The Global Fund undertook a major retendering of LFA contracts in 2008, but according to the OIG Lessons Learned report in 2009, many country audit findings reflected a lack of effective execution by LFAs. In 2009 and 2010, the Global Fund Secretariat improved the LFAs’ ability to fulfill their role by requiring each LFA team to include public health, monitoring and evaluation (M&E), and financial experts.

**Country Coordinating Mechanisms (CCMs).** The CCM is a partnership composed of all key stakeholders in a country’s response to the three diseases. The
CCM is responsible for coordinating and submitting national proposals to the Global Fund, nominating PRs to manage Global Fund grants, and overseeing grant performance and implementation. In February 2010, the Global Fund Board, with strong USG support, approved an expanded funding policy for CCMs, which has enhanced the CCM’s ability to provide program oversight. This policy allows CCMs to access increased resources to support their functioning, improve oversight efforts, and enhance the alignment of CCMs with in-country structures and/or processes. In keeping with the Global Fund’s focus on results, CCMs will be required to demonstrate how the additional funding supported improved CCM functioning.

In some countries, CCMs have only served effectively in their role in applying for Global Fund funding, and have failed to provide effective oversight over existing grants. In many countries, representatives of PRs and SRs sit on the CCM, which creates an inherent conflict of interest in funding and oversight decisions that must be actively managed. Additionally, CCM members are often unclear on their role in grant oversight. There is a critical need for increased CCM engagement in reviewing and providing oversight of grant performance.

The USG is actively working to strengthen CCMs through bilateral support and centrally funded technical assistance (TA). At the global level, the USG worked actively during the reporting period to develop and build Board support for new CCM Guidelines that would clarify CCM requirements, roles, and the need to manage conflicts of interest. At country level, the USG provided TA to numerous CCMs, and served on CCMs in at least 48 countries and played an observer role on CCMs in at least 6 additional countries during the reporting period.

Data Quality and Financial Audits. The Secretariat relies on data from PRs and SRs in making its funding decisions. Recognizing the importance of obtaining accurate, reliable data, the Secretariat has taken several steps to assess and assure data quality. For example, the Secretariat now requires LFAs to verify PR financial and programmatic data. The Secretariat also supports assessments of national M&E systems, and has completed country profiles outlining the capacity of M&E systems for 245 disease programs in 105 countries. The Secretariat also conducts Data Quality Audits and assesses the ability of country-level data management systems to collect, manage, and report quality data. In 2009-2010, the Secretariat conducted 33 Data Quality Audits. Separately in 2009, the OIG flagged concerns about the level of compliance with Global Fund requirements for

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4 Report of the Executive Director, April 2010
PRs to conduct financial audits. In 33 of 50 grants reviewed, the OIG found that CCMs didn’t closely scrutinize PR financial audit arrangements and had no documented SR audit arrangements. Corrective actions have been recommended by the OIG, CRWG, and High Level Panel on Fiduciary Controls and Oversight Mechanisms subsequent to the reporting period.

**Technical Review Panel (TRP).** The TRP consists of an independent panel of international health and development experts, and supports the Global Fund in ensuring effective programs are financed. The TRP reviews eligible grant proposals for technical merit according to soundness of approach, feasibility, and potential for sustainability and impact. Based on this review, the TRP makes funding recommendations to the Board. Through an internal review, the U.S. Global AIDS Coordinator manages a parallel interagency technical review panel to review all proposals received by the Global Fund. During the review of Round 9 proposals, the USG interagency team was in full concurrence with the TRP’s recommendations.

**Principal Recipient Reports.** PRs are required to submit Progress Updates/Disbursement Requests (PU/DR) and Financial Reports periodically. These reports are valuable tools that contain aggregate information on programmatic advances in grant execution related to key program areas and are provided to the LFAs and CCMs for review and comment. Once finalized, all PU/DR reports are made public and are accessible on the Global Fund’s website. Although this level of transparency about grant performance is unprecedented in international organizations, there is often limited CCM discussion of these reports prior to their submission to the Secretariat. The USG believes there should be increased review of PU/DRs at country-level and a more rigorous review of PU/DRs by the Secretariat, but also acknowledges the negative impact that prolonged reviews can have on the ability of PRs to sustain ongoing programs and ensure treatment and program continuity.

**Technical Evaluation Reference Group (TERG).** The TERG is an advisory body that counsels the Global Fund Secretariat on evaluation approaches and practices, reporting procedures, and other technical and managerial aspects of monitoring and evaluation at all levels. The TERG helped manage and guide a comprehensive evaluation of the Global Fund’s first five years of operations and presented its final report to the Board in May 2009. Among their nine findings, the TERG found that the Global Fund has mobilized impressive resources resulting in increased service availability, but that the Global Fund needs to do more work to develop a partnership model, strengthen the CCM’s role, and ensure Global Fund
resources do not replace country investments in their health systems. The Secretariat, with strong support from the Board, has taken actions to address each of the nine findings and 20 recommendations of the TERG Five-Year Evaluation. The full TERG 5-Year report can be found at http://www.theglobalfund.org/en/terg/.

Office of the Inspector General. The OIG provides assurance on grant processes through auditing a sample of country grant programs and Secretariat systems. The USG strongly supports the OIG, was a driving force behind creation of the Office in July 2005, and has consistently advocated for the maintenance of an independent, transparent OIG. The Global Fund is arguably the most transparent multilateral aid organization in existence with the findings of the OIG published online at http://www.theglobalfund.org/en/oig/reports/. The USG strongly supports the OIG as an essential element of the Global Fund’s oversight system and is committed to ensuring its findings are used to strengthen the Global Fund. OIG findings and efforts to address them ensure Global Fund resources reach people in need as efficiently and effectively as possible.

The OIG released its first “Lessons Learned” report in September 2009, identifying common issues cutting across the countries audited. During FYs 2009-2010, the OIG published 12 reports on the OIG website, six country audits and six system reviews, and conducted field visits and reporting for a number of ongoing audits and investigations. All complete audit reports are publicly available on the Global Fund website. The FY 2010 Report to Congress on Oversight contains additional information (http://www.pepfar.gov/coop/globalfund/reports/index.htm).

Key Policy Developments of FYs 2009-2010

Improved Grant Architecture: At its 20th Meeting in November 2009, the Global Fund Board approved a new grant architecture intended to promote a more strategic, holistic approach to grant proposal submission and implementation, facilitate improved grant oversight, rationalize country reporting requirements, and allow countries to align reporting cycles with national fiscal and planning cycles. Under the new grant architecture, countries with multiple grants in the same disease area managed by the same entity will be required to consolidate such grants into a single stream of funding by PR, per disease area, with a single reporting structure and review cycle. Through streamlining grants, the new grant architecture aims to reduce transaction costs for implementers, enable better CCM oversight, and strengthen performance-based funding through program-based Periodic Reviews. The shift to the new grant architecture is ongoing, and will be

**National Strategy Applications (NSAs):** During the reporting period, the Global Fund piloted a NSA process intended to facilitate the alignment of Global Fund financing with national disease strategies and other funding for these strategies. The NSA approach was developed in response to country requests for more streamlined funding mechanisms and as part of the Global Fund’s commitment to the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action. Five NSAs with a two-year value of $434 million were approved in November 2009. The USG welcomes this move to align Global Fund grants more closely with national disease strategies.

**Health System Strengthening (HSS) Platform:** The Global Fund has recognized that weak health systems can hinder a country’s effort to achieve disease-specific outcomes. Experience has shown the importance of robust procurement and supply chain management systems, health monitoring and evaluation systems, and adequate human resources for health to achieving improved outcomes in combating HIV/AIDS, TB, and malaria. Accordingly, the Global Fund allows countries to include HSS components in their grants and has taken steps to align Global Fund support for HSS with World Bank and the GAVI Alliance (formerly the Global Alliance for Vaccines and Immunization) funding for HSS through a “joint funding and programming platform.” The USG supports continued Global Fund investment in health systems as a means of achieving outcomes directly linked to the three diseases. The proliferation of new initiatives has the potential to dilute the Secretariat’s focus on improving current operations. The USG is working with the Board to ensure the Global Fund remains focused on achieving its core goal of supporting country-owned and results-oriented responses to the three diseases.

**Affordable Medicines Facility – Malaria (AMFm):** In November 2009, the Global Fund Board launched the pilot AMFm initiative, a financing mechanism intended to expand access to the most effective treatment for malaria, artemisinin-based combination therapies (ACTs). The USG joined consensus on approving the pilot on the condition that 1) the pilot would be supported through a stand-alone account and not through Global Fund core resources, and 2) that the Global Fund would conduct a rigorous evaluation of the pilot that would evaluate its success in achieving: (i) increased ACT affordability, (ii) increased ACT availability, (iii) increased ACT use, including among vulnerable groups, and (iv) “crowding out” oral artemisinin monotherapies, chloroquine and sulfadoxine-pyrimethamine by
gaining market share. The USG’s insistence on a stand-alone account for the AMFm pilot ensures that USG contributions are not used to support AMFm. In November 2009, the Secretariat approved nine AMFm Phase 1 proposals of $225 million. During the reporting period, the USG worked to ensure the AMFm evaluation would enable the Board to take an informed decision on the future of the AMFm pilot in 2012.

**Value for Money:** Value for money is a measure of the cost-efficiency, efficacy, and quality of health interventions. During the reporting period, the Global Fund took several actions to evaluate and improve value for money in Global Fund grants, including amending the TRP’s Terms of Reference to better define “value for money” in grant proposals (April 2010). The Global Fund is collaborating with partners, including the USG, to develop standardized tools to measure the value for money of key HIV, TB, and malaria services. The measurements will provide information on the relationship between financial investment in these key services and program outcomes, and eventually between investment and impact on disease burden. The USG will continue to work through the Global Fund Board and its committees to ensure Global Fund investments support high-quality, high-impact, and cost-effective health services.

**Supply and Demand Working Group:** Given the vast unmet need and global fiscal realities, the Global Fund Board recognized the need to consider ways to refine its demand-driven funding strategy in order to target resources towards the most effective programs and the countries and populations most in need. It is also increasingly important to establish clear eligibility and prioritization criteria and achieve efficiencies in grant management and implementation. In May 2009, the “Working Group Managing the Tension between Demand and Supply in a Resource-Constrained Environment” was created. The USG served as the co-chair of this working group throughout its existence. The Working Group was organized to review the prioritization policies of the Global Fund and make recommendations for future resource allocation policies, and made proposals to the Global Fund Board, including establishment of a targeted funding pool for proposals focused on supporting most-at-risk-populations (MARPs) in Round 10. The Working Group’s recommendations were built on by the subsequent Working Group on Prioritization, Eligibility, and Co-Financing Criteria, whose recommendations were approved by the Board in May 2011.
Funding Decisions and Challenges in FYs 2009 – 2010

Round 9: During the reporting period, the Global Fund experienced growing tension between technically sound demand for Global Fund support and available resources. In November 2009, the Board approved, in principle, all the Round 9 proposals and NSAs recommended for funding by the TRP. Approval of these proposals was made possible only by imposing a ten percent efficiency reduction on Phase 1 approvals. The Board approved funding for all proposals in the top two ranked categories, and agreed to approve funding for proposals ranked in the middle category as funds became available. In total, the Board approved $2.38 billion in new grants under Round 9 and two pilot initiatives (NSA and AMFm). The Board declined to approve proposals ranked in the bottom two categories, in accordance with the negative recommendation from the TRP. The full list of approved and rejected grants can be found at www.theglobalfund.org/en/fundingdecisions.

Round 10: A call for Round 10 grant proposals was issued in May 2010, with grant applications due August 2010, and a final Board decision at its 22nd meeting in December 2010. Grants approved in December 2010 will be covered in the FY 2011 Annual Report.

MARPs Funding Stream for HIV/AIDS: In April 2010, the Global Fund Board approved the Round 10 Call for Proposals including a dedicated funding stream for proposals focused on MARPs for HIV/AIDS. This funding stream provided a total across all grants of up to $75 million for the period of the initial commitment (Phase 1) and up to an additional $125 million at the grant midpoint assessment (Phase 2). Under this funding stream, individual grant applicants were allowed to request up to $5 million for the initial commitment and $12.5 million over the proposal lifetime. Applicants submitting proposals focused on MARPs chose whether to submit their proposal through the regular pool of Round 10 proposals or through this dedicated funding stream.

U.S. Leadership in Improving Global Fund Effectiveness

Global Fund programs in many countries are increasingly linked and integrated with USG bilateral health programs and form an integral part of the USG response to the three diseases. Increasingly, the success of USG bilateral programs is closely linked with the success of Global Fund programs and vice versa. During FYs 2009-2010, the USG worked with and through the Global Fund
Board and at country level to improve the Fund’s ability to effectively save and improve lives.

**USG Leadership on the Global Fund Board:** Ambassador Eric Goosby, the U.S. Global AIDS Coordinator, serves as the USG member of the Global Fund Board. Consistent with the requirement of Section 202(d)(6) of Public Law 110-293, summaries of the Board’s decisions and USG positions at the 18th-21st Global Fund Board meetings are available at [http://www.pepfar.gov/coop/globalfund/board/index.htm](http://www.pepfar.gov/coop/globalfund/board/index.htm).

**Portfolio Implementation Committee (PIC).** During this reporting period, the USG served as the Chair of the PIC. Through this committee, the USG worked to streamline Global Fund grant proposal submission, review, and grant management processes through architectural and operational reforms. These processes had been identified by the OIG as priority areas for improvement. USG leadership of the PIC enabled the USG to push forward other needed reforms, such as improved CCM guidelines, improved terms of reference for the TRP, and increased support and staffing for the OIG.

**Policy and Strategy Committee (PSC).** The USG also served on the PSC. The PSC advises the Board on core governance structures and policies as well as overall strategic planning and performance of the Fund. Through the PSC, the USG has contributed to the development of new policies intended to improve Global Fund funding mechanisms, such as the new grant architecture, NSA pilot, and HSS joint funding platform.

**Finance and Audit Committee (FAC).** The USG was a member of the FAC until the summer of 2009. The FAC provides advice to the Board on the Fund’s fiscal management policies and processes, including asset liability coverage, financial forecasts, and modalities of contributions and investment policies for the Fund’s financial assets. The USG continues to engage in FAC discussions through other Board delegations that have seats on this committee. The USG retained membership on the FAC Working Group on OIG Matters throughout the reporting period.

**Market Dynamics and Commodities ad hoc Committee (MDC).** The USG has a membership position on the ad hoc MDC. The MDC provides advice to the Board on issues related to market dynamics, procurement, and health technologies. Over half the Global Fund portfolio is spent on commodities and there is an urgent need to review how these resources are being spent. The MDC was established to
develop ways in which the Global Fund can better utilize its buying power to achieve economies of scale. The committee also provides oversight and review of initiatives such as the Price Reporting and Quality Mechanism, Voluntary Pooled Procurement Mechanism, and the Quality Assurance policies.

**Board Leadership.** In July of 2009, Tedros Adhanom Ghebreyesus, Minister of Health of the Federal Democratic Republic of Ethiopia, and Ernest Loevinsohn, Director General of the Global Initiatives Directorate in the Canadian International Development Agency (CIDA), were elected Chair and Vice-Chair of the Board, respectively. They served as Chair and Vice-Chair for the remainder of the reporting period.

**Country-Level U.S. Government Support for the Global Fund:** There are two main channels by which the USG provides TA: through a centrally funded TA portfolio and through the USG bilateral programs. All efforts are made to ensure that the two streams of TA complement and coordinate with one another.

**Bilaterally funded Technical Assistance (TA):** The USG works at country level, through our bilateral programs and embassies, to coordinate USG and Global Fund investments. USG bilateral programs and Global Fund financed programs are often based on the same strategic plans, implemented by the same entities, and are increasingly interdependent. USG bilateral programs often help countries develop technically-sound Global Fund grant proposals tailored to country epidemics and USG country teams regularly provide TA to support Global Fund grant implementation and oversight and longer-term capacity building support to CCMs and grant recipients.

USG bilateral programs have a number of strategic advantages in providing TA to Global Fund entities in that they:

1. Know the country and understand the issues on-the-ground;
2. Know the implementing partners in country;
3. Are often members of CCMs, and intimately engaged with the Global Fund matters in their country; and
4. Can provide longer term TA due to this sustained presence.

A continuing priority of the USG is improving the coordination of USG bilateral programs and those of the Global Fund.

**Centrally Funded TA:** To augment our bilateral TA for Global Fund grants, the U.S. Congress has provided the U.S. Global AIDS Coordinator the discretion to withhold up to 5% of the Foreign Operations appropriation of the U.S.
contribution to the Global Fund to provide TA to alleviate grant implementation bottlenecks and improve grant performance. The funding from the central TA portfolio is utilized to provide TA to all Global Fund-supported countries, including countries that might not have a USG bilateral presence.

Since 2005, the USG has withheld most of this entire 5% ceiling for TA annually, making between $10 and $35 million available for Global Fund TA activities each year. Historically, this central TA funding has been used to support short to medium term technical assistance programmed through various multilateral and USG implementing partners. The USG has also used the central TA portfolio to support placement of twelve Global Fund liaisons within a few key USG missions to enhance engagement with the Global Fund. These positions are often jointly funded by USG bilateral programs, with the goal of having bilateral programs take over full funding of these positions after the first few years.

**Key U.S. Interests and Goals for the Future**

The USG remains deeply committed to the Global Fund model and to combating HIV/AIDS, TB and malaria through both bilateral and multilateral efforts. The Global Fund model supports increased country-ownership, sustainability, and accountability by financing country-owned responses and disbursing funds based on performance. The Global Fund is also a key vehicle for shared responsibility and has successfully attracted contributions of $19.1 billion from public and private donors (as of this reporting period).

Because of the importance of the Fund to the global response to the three diseases, the USG is committed to strengthening Global Fund operations and policies and increasing oversight over Global Fund resources to ensure USG investments in the Global Fund are reaching those in need and saving lives as effectively as possible. The USG is committed to continued engagement with the Global Fund Board, Secretariat, implementing countries, and other international partners to create a stronger Global Fund.

**Annexes:**

1. Table of Pledges
2. Table of Contributions
### The Global Fund to Fight AIDS, Tuberculosis and Malaria

**Pledges**

<table>
<thead>
<tr>
<th>DONORS</th>
<th>TOTAL PLEDGES TO DATE</th>
<th>TOTAL PAID TO DATE (USD)</th>
<th>PLEDGES by YEAR DUE (in USD)</th>
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### Notes

1. For pledges made in currencies other than US dollars, the pledge amount is USD equivalent of the actual USD value received from any contributions made plus the USD equivalent of the remainder of the pledge calculated using exchange rates posted on OANDA.com, as of 31 Dec 2013.

2. The pledge for the period 2011 - 2013 has not yet been attributed to specific recipients by the donor. The Secretariat has assumed an equal allocation of this pledge between 2011, 2012 and 2013, until otherwise notified by the donor.

3. The pledge for 2011 - 2013 is subject to budgetary and/or parliamentary approval.

4. The contribution for 2011 is pending final decision of the European Union budget authority and formal agreement of the ACP Group. Contributions for 2012 and 2013 in accordance with annual budgetary procedures.

5. Greece will reserve up to 5% of its total 2011-2013 contribution to support Global Fund grant implementation in most in-need recipient countries.

6. Other Donors includes contributions from the American Express Membership Rewards Program.
## The Global Fund to Fight AIDS, Tuberculosis and Malaria
### Contributions To Date

#### DONORS

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#### Affordable Medicines Facility - Malaria (AMFM)

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#### Notes
1. For pledges made in currencies other than U.S. dollars, the pledge amount in USD comprises the actual USD value realized from any contributions made plus the USD equivalent of the remainder of the pledge calculated using exchange rates posted on OANDA.com, as of 31-Dec-10.
2. Where pledges have been made that are not specific to individual years, the amount shown as pledged for a period is the sum of contributions received in that period. The remainder is shown under "Pledge Period to be Confirmed".
3. Contributions in process are amounts expected to be received within one month, and for which a contribution agreement has been signed or which have been deposited in a holding account with the Trustee pending signature of a contribution agreement.
4. The United States contribution to the Global Fund is subject to certain U.S. legislative restrictions, including that, during 2004-2013, no U.S. government contribution may cause the total amount of U.S. government funds contributed to exceed 30% of total contributions. For further information, at the donor's discretion, up to 30% of the funds may be applied in the form of direct bilateral technical assistance to activities related to the Global Fund grant implementation, and the contribution to the Global Fund reduced correspondingly.
5. Contributions from entities that have not made a pledge section contribution for years after 2001.
6. All (PRODUCT)RED corporate partners have made long-term commitments to supporting the Global Fund; the latest figures are as of Dec-10.
7. Other Donors: includes contributions received from the American Express Membership Rewards®/Program and Transnational Giving Europe (TGE).

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**Contributions To Date**

- **DONORS**: Includes contributions from the Bill & Melinda Gates Foundation, Other, and Affordable Medicines Facility - Malaria (AMFM).

- **Bill & Melinda Gates Foundation**: Contributions to the Global Fund to Fight AIDS, Tuberculosis and Malaria.

- **Other**: Contributions from various organizations, including the American Express Membership Rewards®/Program and Transnational Giving Europe (TGE).

- **Affordable Medicines Facility - Malaria (AMFM)**: Contributions to the Global Fund to Fight AIDS, Tuberculosis and Malaria.

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**Notes**

1. For pledges made in currencies other than U.S. dollars, the pledge amount in USD comprises the actual USD value realized from any contributions made plus the USD equivalent of the remainder of the pledge calculated using exchange rates posted on OANDA.com, as of 31-Dec-10.
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